

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MARCH 1, 1934

A  
Strong  
Liquid  
Company

Surplus  
\$2,089,934.28

## Abstract of Financial Statement

### ASSETS

Government Bonds (Canada).....	\$ 176,000.00
Government Bonds (United States)....	542,025.00
Railway Bonds .....	370,963.70
Public Utility Bonds .....	1,056,509.77
Cash in Banks and on Hand.....	489,399.81
Premiums in Course of Collection....	351,251.84
Reinsurance Recoverable on Losses....	2,023.76

Total Funds Convertible  
Into Cash on Short Notice .....\$2,988,173.88

School Bonds .....	\$ 879,725.00
State, Municipal and County Bonds .....	1,247,679.00
Real Estate and Other Bonds.....	21,150.00
Adjustment and Salvage Company Stocks.....	500.00
Real Estate Mortgages, First Lien.....	40,800.00
Real Estate .....	123,979.54
Contracts Receivable, Secured by Title.....	2,000.00
Accrued Interest on Investments.....	58,722.41

\*Total Assets.....\$5,362,729.83

### LIABILITIES

Unpaid Losses, Net .....	\$ 295,044.19
Reserve for Unearned Premiums.....	2,090,751.36
Reserve for Accrued Taxes.....	55,000.00
Reserve for Accrued Expenses.....	32,000.00
Reserve for Contingencies.....	800,000.00

TOTAL LIABILITIES.....\$3,272,795.55

\*\*NET SURPLUS OVER ALL LIABILITIES..\$2,089,934.28

\*Security Values are those established by the Convention of Insurance Commissioners of the United States. In order that the published statement of the Company may reflect actual values as of December 31, 1933, we have set aside an adequate contingency reserve of \$800,000.00, as shown above.

\*\*Amount of such surplus which constitutes a permanent fund \$1,000,000.00.

MILLERS NATIONAL INSURANCE COMPANY, with assets of \$5,362,729.83 compared with liabilities of \$3,272,795.55, shows a ratio of \$164 of assets to every \$100 of liability—a wide margin of safety to its agents and the people insured.

1865



1934

**MILLERS NATIONAL  
INSURANCE COMPANY • CHICAGO**

*One of the Strongest in Business*

P R O S P E C T S A L L



## Have You Overlooked This Young Man?

**H**E is between 20 and 30; single, alert, ambitious, anxious to get ahead. The lean years, in which he should have been off to a good start, have slowed his financial progress. But he admits it may be a good thing — easier to take now than when you are fifty, he says. Meanwhile, he's learning things and picking up good experience that will be valuable when his world rights itself and his chance comes.

Your chance with this young man — and upwards of 10,000,000 like him — is now. His insurance needs are limited and he hasn't much money to spend on them. But the protection he does need, he needs very much.

Ask him where he would be if he had a serious

accident and no accident insurance. He will tell you quite frankly, "In a jam." And what if fire destroyed his personal belongings? "That would be embarrassing," he will admit. Suppose he injures someone with the small car for which he has had to scratch to keep up the payments. "I'd have to give up, I guess," will be his frank answer.

Accident, Fire or Personal Effects, perhaps Automobile Public Liability — this is the protection he needs now to insure his financial safety. Not a premium gold mine, to be sure, but a prospect that will become more and more important to you as his income increases.

You know him by the dozens. Don't overlook him.

### THE ÆTNA FIRE GROUP - HARTFORD, CONN.

ÆTNA INSURANCE COMPANY  
THE CENTURY INDEMNITY COMPANY  
PIEDMONT FIRE INSURANCE COMPANY  
THE WORLD FIRE AND MARINE INSURANCE CO.



NEW YORK

CHICAGO

SAN FRANCISCO

CHARLOTTE, N. C.

# The National Underwriter

Thirty-Eighth Year—No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MARCH 1, 1934

\$4.00 Per Year, 20 Cents a Copy

## Facts Are Given on Insurance Tax

United States Chamber of Commerce Analyzes the Special Levies

### BURDEN QUITE HEAVY

Large Percentage of Amount Collected Goes to General Revenue of the States

The United States Chamber of Commerce insurance department has issued Bulletin No. 42, bringing out some facts as to insurance taxation. Last year one or more bills providing increases in insurance taxation were introduced in at least 14 states. All of these failed. Nevada for the first time enacted a premium tax of 1½ percent on net premiums. All states and the District of Columbia now impose a premium tax, which furnishes at least 90 percent of the total revenue coming from all special forms of insurance taxation.

#### Figures for 1933 Given

The United States Chamber finds that for the year ending July 1, 1933, there was a total of \$89,482,511 collected from insurance companies as taxes. This is a decrease of \$6,002,029 or 6 percent from the previous year, due to reduction in total premiums. The survey does not deal with taxes which insurance pays in common with other forms of business. The bulletin is devoted entirely to special taxes placed on insurance.

During 1932 the insurance department expenditures amounted to \$4,286,341 as compared with \$4,405,669 in 1931, a decrease of \$119,328 or 3 percent. On the other hand, the percentage of total insurance department disbursements in 1932 to total insurance taxes was 4.79 percent, the highest percentage for any year since 1918. The U. S. Chamber states that 4.79 cents of each dollar collected was spent in the service of the policyholders, the remaining 95.21 cents being used for general revenue purposes.

#### Eleven Years' Figures Are Shown

For the 11 years during which tabulated figures are available, 1922-32, it is found that the total collection of special state insurance taxes aggregated \$893,997,007 and the expenditure for state insurance supervision \$37,617,641. The difference, \$856,379,366, was used for general revenue. The U. S. Chamber says that in order to comprehend the magnitude of this sum, it would have been sufficient to care for more than 90 percent of all death claims paid beneficiaries by the life companies in 1932 or it would have been large enough to pay in full the entire fire losses in the country for both 1931 and 1932.

In studying the expenditures and insurance supervision, it is found that 33

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## Oklahoma Insurers Indorse Code at Mid-Year Meeting

HEIMAN TAKES STRONG STAND

Protest National Board's Action in Securing Outsiders Support in Opposing NRA Proposal

OKLAHOMA CITY, Feb. 28.—The Oklahoma Association of Insurers at its mid-year meeting indorsed the action of the National Association of Insurance Agents in filing an NRA code. The endorsement was given with the understanding that nothing will be done which will adversely affect the agents in their commission contracts with their companies as the result of any organization through which such companies may or may not be affiliated. A telegram was sent to the NRA administrator at Washington, advising him of the vote of approval and urging the adoption of the proposed code. Each agent was asked to write to the president of the various companies which they represent, urging cooperation with the National association to the end that the code might be speedily adopted.

#### Frowns on Doyle's Action

The association went on record as disapproving of the action of J. H. Doyle, counsel for the National Board, in joining with the National Real Estate Board, the Mortgage Bankers Association of America, finance companies and the American Bankers' Association in preparing a protest against adoption of an American agency code, as "We feel that if there are any provisions in the code which are not satisfactory to the insurance companies, a conference should be called between representatives of the National Association of Insurance Agents and the insurance companies in an endeavor to harmonize their views. We believe that problems of the agents and companies should be settled between themselves and not with the aid and assistance of outside interests."

#### Meeting Is Closed

Attendance at the mid-year meeting was limited to the membership, 70 members being present. J. S. Adams spoke on the "Future of Workmen's Compensation Business in Oklahoma." He saw little progress under current insurance regulations.

H. J. Heiman made a strong plea for cooperation and adherence to the effort of the national government and strict adherence to provisions of the proposed fair trade code when approved.

The promulgation of the insurance producers code, said Mr. Heiman, is nothing more or less than an attempt to put fair practices into the business, and to put the force and power of the federal government behind them. "Unless we do have the support of the national government behind us," he declared, "this attempt to enforce decency upon a small minority of agents and companies will fail as miserably as the state authorities have failed to enforce the insurance laws of the states—this attempt will be as important as our feeble efforts to discipline our own members and fail as signally as every conference

## Hartford Officials Expect to Find Way to Harmonize

PROGRAM IS NOT ABANDONED

Executives Hope to Discover Path Out of Wilderness to the Promised Land

HARTFORD, Feb. 28.—Although the National Association of Insurance Agents filed its amended code several weeks ago, the subcommittees representing the fire and casualty companies have been actively if quietly proceeding with their previously formulated plans to adjust trade controversies within the industry itself. A meeting of their entire committee will be called before long. THE NATIONAL UNDERWRITER has been informed.

"We haven't yet had occasion to go to the agents because there is preliminary work to be done, but both subcommittees are continuing to meet," one executive said. "They feel they are making headway. These conferences have nothing to do with the agents' code and are not considering it."

This attitude is shared by other major officials here. The filing of the code has in no way altered their original intention of ironing out trade difficulties. This purpose they apparently consider somewhat in the nature of a "rust, for one of them said: "We promised the agents at the beginning that we would attempt to adjust certain matters and we are not going to break this promise. We are, moreover, becoming more and more convinced that these conferences should go on and that something will be accomplished as a result of them."

A recent meeting of the casualty companies committee was held in New York.

agreement entered into between the agents and the companies.

"We really believe that the good companies and good agencies would welcome the opportunity of cleaning house under the code, just as the railroad a few decades ago welcomed the opportunity of eliminating secret rebates and political passes through the medium of a federal law. A decade ago life insurance was rocked to its foundation by the New York state investigations and resultant restrictions, but would any life insurance executive today be willing to go back to the operating methods of the nineteenth century?"

#### Code Has Teeth

"If you can read and understand an insurance policy or the coinsurance clause, you need no interpreter to explain the code. Unlike the laws of Oklahoma, the code has teeth in it and instead of an insurance commissioner without power or means of exercising it, the code has the force of federal law and a vigilant code authority composed of agents behind it.

"This country is in the throes of a great industrial and economic revolution. The insurance business cannot hold itself aloof from this revolution and refuse to participate in the government's recovery campaign."

## Solicit Definite NRA Expression

Wolff, Bennett, L. D. Stitt in Washington Interviewing Authorities

### MAY WITHDRAW THE CODE

Visit to Capital Inspired by Action of Chicago Agents—Attitude Towards Insurance Sought.

A. I. Wolff, president, and W. H. Bennett, secretary, of the National Association of Insurance Agents, together with L. D. Stitt, president of the Chicago Insurance Agents Association, are in Washington in the interest of the code of fair competition filed by the National association. A date for a hearing upon the proposal has not been set and the feeling is that it will not take place for several weeks, General Johnson having promised he would fix upon a time that would not conflict with the mid-year gathering of the National association at Louisville, March 19-20.

The reported purpose of the Washington visit of these three officials was an attempt on their part to get a definite expression from the NRA as to whether a code embracing more than hour and wage provisions, will be demanded of insurance. Mr. Stitt was directed to go to Washington with this aim by a group of Chicago agents. Mr. Wolff desired to make the trip, too, so an appointment was made with NRA officials and Mr. Bennett was requested to appear also.

#### MAY ASK WITHDRAWAL OF CODE

WASHINGTON, Feb. 28.—As time goes on and the NRA authorities have more time to study the code situation with regard to various industries it is becoming more apparent that insurance will undoubtedly be passed by. The authorities here seem to feel that the code of fair practices is not applicable to insurance. All that they will demand of insurance offices is that the minimum wage scale and maximum hour proposition be complied with.

The NRA administrative office has been overwhelmed with letters, telegrams, visits from insurance people all over the country. The only code that has been filed is the one filed by the National Association of Insurance Agents. The life organizations have not filed any code. The National Board, Association of Casualty & Surety Executives, Insurance Executives Association, the marine bodies, etc., have filed codes but they only deal with generalities. The National Association of Insurance Agents has a code with considerable teeth in it. It is reported here this week that the agents' association may be requested to withdraw its code so that the NRA authorities can proceed along a program which evidently

(CONTINUED ON PAGE 15)

## N. J. Men to Fight Hostile Practices

Production Branches, Indiscriminate Appointment of Multiple Agents Hit

### HOLD TRENTON MEETING

Association Members Pledge Selves to Work in Behalf of Qualification Measure Before Legislature

By GEORGE A. WATSON

That members of the New Jersey Association of Underwriters feel the indiscriminate appointment of agents seriously threatens the American agency system, was evidenced by the adoption at the recent semi-annual gathering of the organization at Trenton of a strong resolution on the subject.

The memorial set out that the indiscriminate appointment of multiple agencies, part-time agents and non-policywriting agents, as well as the establishment of branch offices for other than servicing the business, are in direct opposition to the preservation of the American agency system. Companies continuing to operate in this fashion, under the resolution, can no longer expect to have the aid, support or representation of members of the association.

#### Hold Executive Session

Preceding the adoption of the resolution the members discussed in executive session the practice of some companies in the free appointment of non-policy-writing agents, whose only qualification was their ability to secure a few risks. Competition from such agents, it was held, works a grave hardship upon agents who maintain offices of their own, write their policies and are subject to all the expense incident thereto.

A review of the conditions complained of made the association men more determined than ever to secure the adoption of the agents' qualification bill now before the legislature, each pledging his utmost efforts in its behalf. The measure, it was stated, is being opposed both by the department and at least some of the New Jersey companies.

Thus far in the life of the legislature comparatively few bills affecting interests of the agents have been presented. Such insurance legislation as is pending provides, in the main, for amending the compensation laws, and deals with other subjects, primarily of company concern. An exception, however, is the proposal to create a monopolistic compensation fund, the adoption of which would seriously affect the writing capacity of all agents handling compensation business. Although the prevailing opinion was that the bill had no real chance for passage, agents were cautioned to be vigilant and if necessary to persuade their home legislators to vote against it.

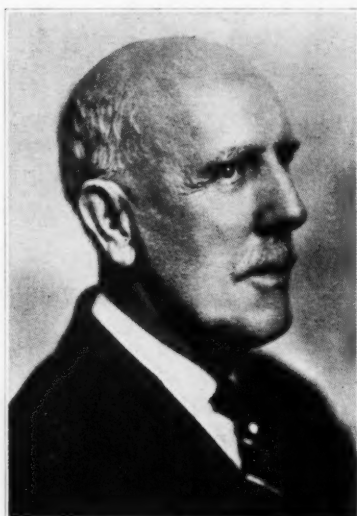
#### Compensation Situation

The compensation situation in New Jersey, according to C. S. Stults, chairman of the executive committee, continues to be serious. The committee expressed the belief, however, that the business can be written profitably in the state and the support of the association members in bringing about such result was pledged.

Conceding that while some of the conferences of agents and company officials proved beneficial, the report con-

(CONTINUED ON PAGE 14)

## Veteran Dead



CAPT. W. E. WHITE

Capt. W. E. White of Charleston, W. Va., died Sunday after an illness of eight weeks. He was 71 years of age and was a brother of former Governor A. B. White. He was deputy insurance commissioner in West Virginia for 17 years and was shifted from that office to another state department on the change of administration. He had been in poor health for some time. He always attended the annual meeting of the West Virginia Association of Insurance Agents.

Interment was at Parkersburg, W. Va. Captain White was born in Columbus, O., Nov. 6, 1862. He graduated from Purdue University in 1881. His father was president of the university at that time. The son taught school in Indiana for three years before entering the law school of the University of Cincinnati. He graduated from the University of Cincinnati in 1886 and for seven years practiced law at Winfield, Kan. In 1893 he established a law office at Parkersburg, W. Va., practicing for seven years before he became chief deputy collector of internal revenue in charge of the Parkersburg office. He held that position for 17 years. He was appointed pardon attorney for West Virginia during the administration of Governor Dawson. He was appointed

## William Schiff Made Head of National Brokers Group

### ELECTION BY MAIL BALLOT

New York Man Is Chosen First President of the Recently Organized Association

Officers of the newly formed National Association of Insurance Brokers chosen by the executive committee in a mail ballot are: William Schiff, New York, president; J. A. Mudd, Jr., Chicago, chairman executive committee; E. S. Litchfield, Boston, treasurer, and M. L. Nathanson, Brooklyn, secretary.

Headquarters of the organization will be in New York, with W. W. Ellis acting as executive secretary.

#### Heretofore Largely Local

While associations of brokers have existed in different sections of the country for a number of years, they have been largely local in scope. Impetus to formation of a national organization was given by the NRA in its suggestion that the brokers file a code of fair competition. The new association will not concern itself with subjects of purely local significance. An 80 percent vote of the executive committee is required before a matter may be considered mandatory for review.

Membership on the executive committee consists of representatives from local organizations as follows: Insurance Brokers Association of Massachusetts, E. L. Litchfield and Collins Graham; Insurance Brokers Association of Illinois, A. S. Schwartz and J. A. Mudd, Jr.; Insurance Brokers Association of St. Louis, Oliver Blaze and W. P. Selby; Insurance Brokers Association of New York, William Schiff and Julian Lucas; General Brokers Association of Metropolitan New York, George Sullivan and Arthur A. Arnov; Brooklyn Insurance Brokers Association, M. L. Nathanson and H. L. Heistad; Brownsville & East New York Insurance Brokers Association, Moe Werbelovsky and S. D. Rosan; Insurance Brokers Exchange of San Francisco, F. M. Hohweiser and A. L. Dahl; Bronx Insurance Men's Association, Arthur Goerlich and T. W. Buckley.

deputy insurance commissioner in 1916. While in Kansas he was captain in the national guard.

## Globe & Rutgers Speculation Rife

Some Reports Indicate It May Soon Be Active Again

### IS IN STATE OF SUSPENSE

Company Was Placed in the Hands of the New York Insurance Department

NEW YORK, Feb. 28.—Speculation as to the probable future of the Globe & Rutgers, which has been quiescent for a time, has revived, despite the fact that little information of a dependable character is to be had. One story has it the company will resume active operations by July 1, while another declares that a positive move may be expected soon after the annual meeting of its stockholders in early April.

In the preliminary report of Superintendent Van Schaick of the insurance department to the state legislature, reference is made to the affairs of Globe & Rutgers. At the time the company was placed in the hands of the superintendent on March 24, 1933, it "had more than 2,200 agents located in all parts of the United States as well as Canada, continental Europe, Asia and elsewhere. It was estimated to have between 400,000 and 500,000 policyholders. After it was taken over for rehabilitation various reinsurance agreements were consummated upon authorization of the court, in order to relieve the company from some of its unearned premium liability. From time to time blocks of securities have been sold in an effort to place the company in a more liquid position. Recent developments indicate the possibility of resumption of business by the company in the near future."

#### Jameson Is Dominant Figure

E. C. Jameson, president of the Globe & Rutgers, and likewise president of the National F. & M. of Elizabeth, N. J., is credited with the intention of increasing the capital of the latter company by several hundred thousand dollars, and embarking it upon a more active business career than it has followed thus far.

Yet another story quietly circulating but to which scant credence is given, is that interests close to the Globe & Rutgers plan forming a general casualty company. Mr. Jameson, the dominant figure in the affairs of the G. & R. since its creation, has never been credited with an ambition to have a casualty affiliate, though some of his executive associates favored the idea several years ago, even going so far as to accept directorship on a general casualty concern of this city, with the thought of eventually assuming its management. The casualty institution has since been taken over by the department for liquidation.

## Schuette Fills Wisconsin Post with Fireman's Fund

John C. Schuette, Jr., has joined the Fireman's Fund as special agent in Wisconsin assisting State Agent G. E. Borst. He succeeds F. D. Leonhard, resigned.

Mr. Schuette traveled Wisconsin for the Caledonian, Caledonian American and Netherlands for many years and is well known in the state. His headquarters will be with Mr. Borst at 828 North Broadway, Milwaukee.

## THE WEEK IN INSURANCE

Local agency officials visited Washington this week in an endeavor to get information as to the code. **Page 1**

The United States Chamber of Commerce insurance department issues a bulletin showing the percentage of tax paid by insurance. **Page 1**

N. R. A. code endorsed by Oklahoma agents at mid-year meeting. **Page 1**

Hartford officials declare the committees of the companies that went into a deal with the agents in the effort to adjust controversies within the business will continue, hoping to reach some satisfactory program. **Page 1**

Speculation as to the future of the Globe & Rutgers has been revived. **Page 2**

William Schiff of New York is elected president of newly organized National Association of Insurance Brokers. **Page 2**

Suggestions for purchaser of a local agency are given by R. S. Buddy, vice-president of the Glens Falls. **Page 3**

New York department unqualifiedly denies rumors Van Schaick will resign under fire. **Page 3**

Annual dinner of the Philadelphia Insurance Society was held this week. **Page 4**

Issue over the fine arts funder issued at Cincinnati to cover the Taft collection goes before the Ohio Association of Insurance Agents. **Page 18**

Progress is reported in compensation parleys of agents and companies. **Page 30**

No serious questions will come up before the annual meeting of the Bureau of Personal Accident & Health Underwriters this week. **Page 31**

Court receiverships of insurance companies usually fatal to policyholders' interests; another method must be devised, U. S. Appellate Judge Evans of Illinois declares. **Page 31**

Named-driver automobile liability policy is advocated. **Page 29**

Burglary companies are getting out a new office policy that will appeal especially to professional men. **Page 31**

Officials of many non-affiliated casualty companies met in Columbus, O., to discuss the new reduction in automobile liability rates. **Page 32**

Secretary John F. Wahlgemuth of The National Underwriter discusses the power of Congress in setting aside the gold clause in contracts. **Page 29**

## Deny Van Schaick Is to Quit Office

Rumors Arising from Mortgage Guarantee Situation Are Declared Absurd

### CRITICISM UNJUSTIFIED

New York Superintendent's Ability Unquestioned—Department Handicapped by Lack of Funds

NEW YORK, Feb. 28.—Unqualified denial is made at the department office of the rumored intention of G. S. Van Schaick to resign as insurance superintendent because of criticism of his handling of the mortgage guarantee situation. The story is understood to have originated in a dispatch sent by an Albany correspondent, with the further statement that Mr. Van Schaick would probably be succeeded by J. J. Hoey of this city.

The report was generally considered to be absurd because of the efficient conduct of the department under Mr. Van Schaick and as well the profitable character of Mr. Hoey's business interests, and the pride he takes in his post as collector of internal revenue in this city.

#### Appointed by Roosevelt

When some three years ago Mr. Van Schaick was induced by President Roosevelt, then governor of New York, to surrender his private legal practice at Rochester to become superintendent, he accepted from a sense of public duty. He knew little about insurance affairs, but was recognized as possessing executive ability and sound judgment. These qualities have been much in evidence during his administration through the most troublesome period insurance has ever known.

Not only were problems of the most intricate character, the handling of which required ability of exceptional degree, presented him, but he was sadly handicapped through the death of his two chief aids, and the inability of the legislature to provide funds with which to engage an adequate examining staff.

#### Heavy Burden on Department

In addition to the attention that Mr. Van Schaick was forced to devote to the insurance interests reporting to his department, the failure of a score or more of important mortgage guarantee companies placed a further burden on his office. Despite the criticism directed against the superintendent in the latter connection, unprejudiced observers hold his handling of the mortgage situation to have been eminently satisfactory, and doubtless far better than could have been done by any other means.

Mr. Hoey is widely known in both underwriting and political circles in the metropolis. A former deputy superintendent of the department, he was subsequently vice-president of the Continental, resigning a number of years ago to engage in the local business as member of the agency firm of Hoey & Ellison. His appointment as collector of internal revenue by President Roosevelt occurred several months ago.

#### MIDWEST SAFETY CONGRESS

The Midwest Safety Congress will be held in Chicago May 9-10. R. E. Vernon, Western Actuarial Bureau, will preside as chairman at the fire prevention session.

## Forty-Year Man



E. M. SCHOEN

Long-term anniversaries of service among the Chicago managerial ranks are coming thick and fast these days. On Thursday of this week E. M. Schoen, western manager of the Atlas Assurance and Albany, completes 40 years of continuous service in fire insurance. He, like some of the others whose business achievements have received notice, started as an office boy, in the old western department of the Orient on March 1, 1894. He then was in knee breeches and was the custodian of the gate for Manager B. W. French. Mr. French was rather meticulous about his callers. He therefore had a trick lock on the gate with an electrical device running to Office Boy Schoen's desk so that he could manipulate the gate if the caller seemed desirable.

#### Took Shine to "Eddie"

While Manager French was one of the gruff, severe taskmasters, he took a great liking to "Eddie," as he called him, and referred to him as "Eddie is my particular property." When the Orient was purchased by the London & Lancashire Fire and finally the late Charles E. Dox became western manager of the Orient, Mr. Schoen migrated to it with the lures and penalties. When he started he was paid \$10 a week and under the French regime he had not received much of an increase. Mr. Dox found him working after office hours on a few occasions and being impressed with his industry and faithfulness, immediately increased his salary 50 percent.

Mr. Schoen then started upward through the office desks, becoming an examiner and later was sent into the Illinois field for the Orient. He made good there and Manager Dox then shifted him to Kansas City, Mo., to become assistant to State Agent John W. Hoffman, who had charge of some four states for the L. & L. group. Mr. Schoen began to show his fine ability in the field and attracted the attention of the Atlas. Manager Neuberger of that company appointed him state agent with headquarters at Kansas City and he then traveled in three states. Manager George E. Haas of the Atlas finally succeeded Mr. Neuberger as manager and later the former went to Cleveland to engage in the local business. E. W. Jewell was appointed manager and in due season promoted Mr. Schoen to the position of assistant manager. He succeeded Mr. Jewell on the latter's death.

Albert H. Meyer has been elected a director of the Merchants Mutual Casualty of Buffalo. He is president of the Bank of Williamsville in the Buffalo suburb of that name.

## R. S. Buddy Gives Suggestions For Purchaser of an Agency

A person contemplating purchase of an agency usually is perplexed when it comes to measuring the desirability of the plant, in deciding on what terms may reasonably be requested and in arriving at the worth of the agency.

R. S. Buddy, vice-president of the Glens Falls, has some interesting ideas and definite suggestions on these points. In connection with the purchase of an agency, the purchaser should bear in mind that what an agency has to sell is expirations, new contacts, including new assured, new special agents, new companies and new forms of insurance; good will and furniture and fixtures, Mr. Buddy points out.

#### Investigation Is Important

"In contemplating the purchase of an agency, the buyer should safeguard these assets by investigation and contact and a number of points should be borne in mind," Mr. Buddy observes. "He should satisfy himself that there is no duplicate list of expirations either in the hands of other agents or of present employees and solicitors of the old agency."

"In order to protect good will, a letter should be obtained addressed by the old owner to his clients in which he definitely states that he has sold the agency together with its good will to the new owner."

"A careful analysis of the business should be made to ascertain whether any undue proportion is dependent on church, lodge or social affiliations which might not accrue to the benefit of the new owner. Careful investigation should also be made as to whether the practice of trading accounts with the butcher, the baker, the candlestick maker had reduced the real value of the agency. It should also be borne in mind that public insurance and that of some merchants is often distributed with a view to currying political or business favor and it is possible that such insurance will not be continued in the same amount in the combined agencies as was allocated to them when they were separate."

#### Scrutinize Mortgagees

"Mortgagees should also be scrutinized as in many cases nowadays they pay the premiums and can control the insurance. A case has recently come to our attention where the loan agent of a life company whose business consisted largely of properties on which they held mortgages sold his agency and it was not until several months later that the purchaser discovered that the life company had recently changed its policy and insisted that the insurance be placed with whatever local agency was chosen by the title holder."

"In regard to the new contacts, one should not put too much dependence on securing desirable company representation by purchasing an agency where a certain company is represented at the present time. We have known of numerous instances where a company which wrote farm business or compensation or outside mercantiles for an old agent took advantage of the change to institute a more conservative policy. Remember that any company may elect to terminate its agency or move to a place where it may feel assured of a larger business without consulting the desires of the buyer."

"Furniture and fixtures are of doubtful value but should be definitely described in the contract of sale inasmuch as very often some valuable piece of equipment may be claimed to be personal property and not part of the agency equipment."

"The big problem in any purchase is to decide what an agency is worth. We have heard of cases where old established agencies which were not in dis-

tress brought a sum equal to the cash commission received during the last two years. In normal times we would say that the previous year's commission earnings would represent a fair cash price for an agency. Recently, however, there has been a very strong disposition to reduce the price offered to a monthly payment basis representing the commission earned on those policies of the old agency which are renewed during the month just passed. Since it is seldom necessary to increase the overhead to take care of the increased business resulting from a purchased agency, it is obvious that the last named plan offers tremendous opportunity for a profit and it might be desirable to offer a portion of the commission for the next one or two years on renewals in order to maintain the active interest of the seller or his estate. Mention should also be made of small agencies which can sometimes be purchased for a small cash payment. Our experience has been that a great many agents have had a fine experience in purchasing and working out distressed agencies."

#### Staying Out of Business

"Additional items which should be incorporated in the contract of sale, if possible, are:

"1. Agreement to stay out of business in that city or county for five years or until the last policy expires. In some states, however, this would be contrary to law and it is suggested that in lieu thereof an indemnifying agreement be inserted whereby the seller agrees to pay to the purchaser a heavy penalty, say, \$300 a month for every month during which he engaged in the business."

"2. Attempt to tie up wife or other possible relatives (with penalty, if collectible)."

"3. In order to insure good faith hold back part of purchase price as long as possible."

"4. Beware of assuming any of old agent's balances due companies in the hope of offsetting them from collections. In the event, however, that you feel that possibly the old agent might drive good business off the books by unduly harsh collection methods it may be desirable to undertake the collection of these old balances for a certain percentage, say 5 percent of the sum collected."

#### Sharp Is Awards Chairman

L. K. Sharp, advertising manager of Mill Owners Mutual Fire, Des Moines, has been named chairman of the committee on awards of the 1934 Mutual Insurance Advertising Conference.

## Washington Agreement Is Approved by Companies

SEATTLE, Feb. 28.—An agreement between the Washington advisory committee and Insurance Commissioner Sullivan of Washington has been approved by the companies doing business here. It calls for a 10 percent reduction on class A and class B mercantile structures in cities and towns of class 2 to class 8. The fire rates on contents of such risks are reduced 5 percent. It is expected this action will mean that companies planning to file deviations from the old rates will withdraw their intentions. The new rates are effective March 1.

A 50 percent reduction was ordered in exposure rates on protected dwellings, apartment houses, private garages, lodging houses, and similar structures. These rates are based on proximity of insured property to buildings considered a fire menace.

## Changes Made in Rules on Furriers' Customers' Form

### DEPOSIT PREMIUM REDUCED

Lower Unit Set by I. M. U. A. for Eligibility to Merit and/or Judgment Rating—New Endorsement

Important changes in rules affecting the furriers' customers' policy have been made by the Inland Marine Underwriters Association. The executive committee, effective April 1, reduces the minimum deposit premium from \$100 to \$50.

There has been a change in merit and/or judgment rating, the committee reducing from \$150,000 to \$100,000, the minimum value requirement affecting eligibility of a risk for such special rating. Heretofore, in addition to the rule limiting merit and/or judgment rating to risks involving values in excess of \$150,000, re-rating of these risks was required each year on the anniversary, the form of application for re-rating requiring signature of the furrier assured.

#### Forego Signed Application

The furriers-customers committee decided that it was not in the best interests of assured and companies to require signing a new application for re-rating each year. This information about the risk was in possession of the carrying company. The new rule stipulates that accounts involving values to be insured "in custody or control" of the furrier of at least \$100,000, shall be eligible for merit and/or judgment rating.

On risks on members' books which previously were merit and/or judgment rated, in lieu of the application for re-rating, the companies shall submit a form of re-rating effective on the anniversary of the policy. This form should give the policy number, assured's name

and address, and the values at risk reported on the previous July 31 and Aug. 31. The form states there has been no change in fire rates nor, to the knowledge of the carrying company, any change in the alarm system or watchmen's service from that shown in the proposal originally furnished, except as set forth in the application. This change regarding application for re-rating is effective March 1.

An endorsement clarifying the coverage under the custody rider in the furriers' customers' form has been authorized for member companies. The endorsement reads:

"It is understood and agreed that the second paragraph of the custody rider attached to this policy is amended to also cover the property insured hereunder while at assured's premises incidental to redelivery to the customer at termination of storage. All other terms and conditions of the policies remaining unchanged."

The I. M. U. A. declares that the intent of the furriers' customers' policy is to provide coverage on garments insured thereunder while on the premises of the assured pending redelivery to the customers at termination of the storage. Some companies have requested classification of the policy by stipulating by endorsement that this coverage is granted under the policy. The optional form is in line with this request.

### Chicago's 1933 Losses

Total fire loss in Chicago last year was estimated by the Chicago Fire Insurance Patrol at \$5,728,996, divided buildings \$3,453,484 and contents \$2,275,512. The total loss from sprinklered fires was \$103,300, the average loss per sprinklered fire being \$426. The major cause of fire was careless use of matches and smokers' materials, 2,675, followed by rubbish accumulation, 1,180 and then electric wires, 1,020. There were 3,359 automobile fires. The 1932 fire loss was \$8,412,651.

## Crowd Faces Blizzard to Attend Society Gathering

### HOLD PHILADELPHIA EVENT

Large Contingent of Company Officials Attends Annual Dinner of Insurance Organization

PHILADELPHIA, Feb. 28.—Close to 800 persons Tuesday night braved one of the worst snowstorms in the history of Philadelphia to attend the annual dinner of the Insurance Society of Philadelphia. Attendance was one of the largest at any of the society's affairs.

The dinner was unique in that there were no speeches. Following the meal, an entertainment was staged by radio, night club and insurance performers.

Among company officials who attended were C. F. Shallcross, U. S. manager North British & Mercantile; Wilfred Kurth, president, and H. V. Smith, vice-president, Home of New York; W. T. Read, president, and John Gilliams, vice-president, Camden Fire; John Rodger, vice-president, and Elmer Van Dusen, assistant secretary, State of Pennsylvania; John Kremer, vice-president, and Silas Schoch, assistant secretary, North America, and Louis Wiederhold, manager, Middle Department Rating Association.

#### Glendening Heads Officers

Officers elected were: President, John Glendening, Franklin Fire; vice-presidents, R. J. Dunkle, Jr., North America, and E. Van Dusen, State of Pa.; secretary, J. R. Knowland, Schmidt Survey Bureau, and treasurer, J. A. McCann, Jr.

Members of the executive committee are W. G. Andes, Dodd Bryan, J. W. Donahue, F. W. Doremus, T. O. Engstrom, P. M. Fell, J. P. Frazier, C. H.

Hill, W. H. Howland, H. V. Keighler, W. S. Kite, J. F. Mitchell, Jr., G. T. Rowland, H. J. Sullivan, J. S. Trump, J. V. Williams.

R. J. Dunkle, Jr., was chairman of the dinner committee. Others on the committee were H. A. Carl, G. B. Mattson, N. B. Meade, H. B. Nelson, G. T. Rowland, R. R. Dearden, 3rd, J. R. Knowland, H. F. Brazer, G. W. Ruhl, W. S. Kite.

## Indiana Old Timers Join in Permanent Organization

INDIANAPOLIS, Feb. 28.—At a meeting of the Old Timers Club of Indiana articles of association were adopted and other steps taken to make the organization permanent. Eligibility to membership is conditioned on 25 years in fire insurance in some capacity. It is the purpose of the organization to foster friendships and preserve traditions of the business.

Those present were L. H. Wolff, chairman; D. P. Barrett, C. O. Bray, T. R. Dungan, O. E. Green, J. H. Hellekson, J. C. Kidd, Robert McHatton, J. E. Milnor, A. R. Monroe, B. G. Slaymaker and Irving Williams. O. E. Green was appointed chairman of the next meeting.

### Dodge Addresses County Group

Albert Dodge, representing the New York State Association of Local Agents, outlined the new NRA code at a dinner meeting of the Erie County Association of Insurance Agents, composed of insurance men in Buffalo suburbs, in Williamsville.

### Mrs. B. H. Conkling Dies

Mrs. B. H. Conkling, wife of the retired founder of Conkling, Price & Webb, Chicago, died after a long illness. Mr. and Mrs. Conkling had been residents of Chicago for 50 years. Mrs. Conkling was prominent in club work and charities. Burial was in Louisville.

# LONDON GUARANTEE AND ACCIDENT COMPANY, LTD.

NEW YORK, N. Y.

## STATEMENT OF THE UNITED STATES BRANCH

DECEMBER 31, 1933

### ASSETS

Real Estate - - - - -	\$ 189,083.43
Government, State, Municipal, Railroad, Public Utility and Miscellaneous Bonds ( <i>Valuations on basis approved by New York Insurance Department</i> )	11,998,535.87
Cash in Banks and on Hand - - - - -	789,454.20
Interest Due and Accrued - - - - -	167,705.72
Premiums in Course of Collection Not Over 90 Days Due - - - - -	1,504,109.91
Other Assets - - - - -	166,617.28
	<hr/>
	\$14,815,506.41

### LIABILITIES

Reserves:	
For Claims - - - - -	\$ 6,581,212.35
For Unearned Premiums - - - - -	3,297,960.61
For Commissions - - - - -	380,210.60
For Taxes and Sundries - - - - -	238,858.87
*Contingency Reserve - - - - -	1,053,795.04
	<hr/>
Total - - - - -	\$11,552,037.47
Capital as per Section 28 N. Y. Insurance Law - \$	800,000.00
Surplus over all Liabilities - - - - -	2,463,468.94
	<hr/>
Surplus to Policyholders - - - - -	\$ 3,263,468.94
	<hr/>
	\$14,815,506.41

\*Representing difference between value carried in assets and actual December 31, 1933, market quotations on all bonds and stocks owned

## One Hundred and Tenth Annual Statement

1824—1934

## United States Fire Insurance Company

of New York

Organized 1824

## STATEMENT of December 31, 1933

ASSETS		LIABILITIES	
Cash in Banks and Trust Companies	\$ 1,916,229.27	Reserve for Unearned Premiums	\$ 9,387,466.54
United States Government Bonds	5,245,795.45	Reserve for Losses in Process of Adjustment	1,853,758.00
Other Bonds and Stocks	14,834,743.63	Other Liabilities	533,287.17
First Mortgages on Real Estate	1,133,722.48	*Contingency Reserve	1,552,843.13
(99 Mortgages—Largest Individual Loan, \$58,000)		Mortgage Reserve	100,000.00
Real Estate	443,200.56	Capital	\$2,000,000.00
Premiums in Course of Collection (not over 90 days)	1,413,170.68	†Net Surplus	9,840,095.51
Bills Receivable, Not Due	136,072.78	Surplus to Policyholders	11,840,095.51
Interest Accrued	86,488.29		
Other Assets	58,027.21		
			\$25,267,450.35

\*Contingency Reserve represents difference between value carried in assets and actual December 31, 1933, market quotations on all bonds and stocks owned.

†The Company operates under Section 130-1-2 of the New York Insurance Law and has on deposit with the Superintendent of Insurance of New York \$2,500,000.00 in United States Government Bonds as a Special Reserve Fund and carries \$2,500,000.00 in its Guaranty Surplus Fund.

\$25,267,450.35

## One Hundred and Twelfth Annual Statement

1822—1934

## The North River Insurance Company

of New York

Organized 1822

## STATEMENT of December 31, 1933

ASSETS		LIABILITIES	
Cash in Banks and Trust Companies	\$ 1,167,031.13	Reserve for Unearned Premiums	\$ 5,914,550.07
United States Government Bonds	4,033,683.93	Reserve for Losses in Process of Adjustment	1,203,682.00
Other Bonds and Stocks	11,704,338.04	Other Liabilities	248,734.12
First Mortgages on Real Estate	535,259.00	*Contingency Reserve	1,211,718.70
(56 Mortgages—Largest Individual Loan, \$35,000)		Mortgage Reserve	50,000.00
Real Estate	89,849.36	Capital	\$2,000,000.00
Premiums in Course of Collection (not over 90 days)	838,669.85	†Net Surplus	7,883,093.81
Bills Receivable, Not Due	71,084.90	Surplus to Policyholders	9,883,093.81
Interest Accrued	51,466.70		
Other Assets	20,395.79		
			\$18,511,778.70

\*Contingency Reserve represents difference between value carried in assets and actual December 31, 1933, market quotations on all bonds and stocks owned.

†The Company operates under Section 130-1-2 of the New York Insurance Law and has on deposit with the Superintendent of Insurance of New York \$2,000,000.00 in United States Government Bonds as a Special Reserve Fund and carries \$2,000,000.00 in its Guaranty Surplus Fund.

\$18,511,778.70

## CRUM &amp; FORSTER

MANAGERS

110 WILLIAM STREET, NEW YORK

Western Department  
FREEPORT, ILLINOIS  
F. M. Gund, Manager

Southern Department  
ATLANTA, GEORGIA  
Hines Bros., Managers

Pacific Department  
SAN FRANCISCO, CALIF.  
Ward S. Jackson, Manager

Carolinas Department  
DURHAM, NORTH  
CAROLINA  
J. F. Glass, Manager

Allegheny Department  
PITTSBURGH, PA.  
George W. Unverzagt, Mgr.

## FIGURES FROM DECEMBER 31, 1933 STATEMENTS

	STOCK COMPANIES										Loss Ratio
	Assets	Changes in Assets	Security Fluc. Res.	Reins. Res.	Change in Reins. Res.	Capital	Surplus	Changes in Surplus	Losses Paid	Net Prem.	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Alliance, Eng.	1,656,431	-158,158	195,897	355,290	-33,251	200,000	455,300	-84,082	304,191	757,797	40.2
Alliance, Pa.	8,411,377	-194,974	505,326	2,323,127	-217,813	1,000,000	3,852,517	+568,882	826,756	2,057,175	40.1
American Alliance	7,928,431	-897,035	1,022,576	1,545,062	-162,294	3,000,000	2,054,828	+2,259	669,847	1,427,891	46.8
American Genl., Tex.	1,016,635	-82,447	41,500	205,590	-25,926	400,000	266,085	-9,473	158,184	333,832	47.3
American Home	2,784,695	-955,304	329,381	360,963	-61,153	1,000,000	767,773	+89,813	263,949	409,212	64.5
American Natl., O.	853,455	-39,798	21,970	.....	.....	500,000	322,985	+91,231	.....	.....	.....
Anchor	1,868,406	-65,378	48,047	441,691	-10,022	1,000,000	287,660	+64,315	233,051	479,955	48.5
Atlantic Fire, N. C.	423,685	-113,662	.....	.....	.....	250,000	80,404	-89,965	15,119	.....	.....
Baltica	2,331,956	-326,092	287,983	929,744	-328,342	200,000	627,387	-279,417	473,253	749,184	63.1
Bankers Fire, N. C.	324,444	-14,681	.....	45,794	-6,109	200,000	54,801	-3,594	17,781	44,425	40.0
Bankers & Shippers	4,961,121	-415,588	287,450	2,314,242	-59,142	1,000,000	949,200	-53,229	1,146,805	2,471,116	46.4
Birmingham Fire, Ala.	1,113,424	-32,547	111,159	259,064	+11,001	300,000	405,567	-54,941	73,494	274,888	26.8
California	5,037,516	.....	371,256	1,593,979	.....	1,000,000	1,742,192	.....	695,545	1,393,455	49.0
Central States, Kan.	1,183,830	-161,944	.....	.....	.....	800,000	380,830	-161,945	.....	.....	.....
Century, Scot.	2,855,590	-668,882	196,911	1,165,006	+4,826	400,000	774,193	-82,820	584,642	1,289,806	45.3
County Fire, N. Y.	2,304,397	-138,508	222,429	475,745	-39,541	1,000,000	501,235	-24,518	175,445	372,725	46.8
Detroit F. & M.	3,817,319	-309,335	258,755	1,145,024	-123,910	1,000,000	1,158,063	-247,482	497,355	1,055,173	47.0
Eagle Fire, N. J.	1,155,561	-117,174	336,069	1,301,413	-840,664	815,000	199,543	-722,379	879,789	985,490	89.2
Equitable F. & M.	5,514,421	-841,468	.....	978,003	-161,679	1,000,000	3,273,870	+139,685	405,496	871,459	46.3
Export, N. Y.	1,735,089	+2,353	2,111,531	7,233,622	-1,943,892	2,000,000	317,949	+42,686	3,336,802	6,969,387	47.9
Fire Assn.	18,986,913	-52,682	50,000	203,897	-5,988	200,000	214,832	-9,026	23,279	134,339	17.3
Firemen's D. C.	708,229	-42,254	95,588	27,558	-13,765	200,000	410,238	+69,410	53,446	92,907	57.5
Fuso M. & F.	18,134,012	-3,925,008	282,587	6,285,324	+1,393,934	1,000,000	8,980,554	-3,254,831	3,955,756	10,371,800	38.1
General Schuyler	465,115	-25,462	.....	64,033	+12,740	200,000	188,031	-54,521	13,653	42,927	31.8
Granite State	3,959,259	-177,520	291,000	1,206,146	-118,069	1,000,000	1,144,368	+109,390	487,951	1,003,597	48.6
Great American	42,298,724	-4,601,736	5,383,368	13,775,091	-1,782,550	8,000,000	12,354,070	+342,727	6,193,121	12,660,512	49.0
International, N. Y.	5,254,496	-1,382,317	457,500	1,539,087	-982,832	1,000,000	1,790,784	+445,671	1,011,095	1,109,183	91.4
Marine, Eng.	4,671,265	-294,510	124,958	669,044	-73,235	200,000	2,798,985	-201,874	408,150	1,495,677	27.3
Massachusetts F. & M.	2,558,390	-32,574	357,793	572,512	-61,955	1,000,000	496,393	+80,933	248,243	527,567	46.6
Merchants, Cal.	1,833,063	+91,469	.....	711,737	+16,525	400,000	552,130	+44,028	215,846	611,853	35.2
New England Fire	1,236,210	-140,306	76,020	325,779	-43,383	400,000	369,928	+110,634	150,135	300,103	50.0
New India	1,449,721	+275,286	99,883	438,197	-5,776	200,000	617,397	+272,656	183,535	468,739	39.2
New Jersey	3,351,318	-221,545	107,289	1,477,877	-72,640	1,000,000	500,175	-25,562	714,193	1,504,711	47.5
North America	80,857,604	-4,498,764	5,692,505	21,034,463	-1,954,155	12,000,000	33,202,588	+4,527,697	8,169,567	20,244,742	40.3
North Carolina Home	987,228	-139,468	163,267	.....	.....	500,000	309,460	-25,983	16,812	20,696	.....
North China	1,118,326	+119,016	52,725	26,517	-3,638	400,000	584,887	+87,787	33,034	77,946	42.3
Pacific, N. Y.	5,439,014	-568,491	234,311	2,690,314	-70,896	1,000,000	1,053,688	+19,273	1,313,076	2,864,883	46.1
Philadelphia F. & M.	4,885,262	+42,695	208,471	1,270,920	-118,189	1,000,000	1,937,972	+484,430	475,090	1,184,101	40.0
Providence Washington	11,482,180	-2,155,294	709,956	4,048,531	-191,837	3,000,000	2,647,154	+465,921	2,120,610	4,637,734	45.7
Reliance	1,735,089	-46,212	82,448	177,531	-103,812	1,000,000	325,843	+125,775	73,632	154,670	47.6
Richmond, N. Y.	4,093,517	-499,394	255,106	1,131,233	-294,807	1,000,000	1,351,163	+711,740	477,532	881,307	56.4
Rochester American	3,027,460	-349,773	474,207	627,600	-53,199	1,000,000	786,177	-57,498	269,175	590,678	45.6
St. Louis F. & M.	516,867	-15,282	.....	185,499	-27,374	200,000	106,216	-17,886	35,475	17,511	20.8
Sea	2,747,286	+67,638	10,593	325,871	+16,893	200,000	1,569,938	+361,885	308,586	864,912	35.8
Sentinel Fire	2,255,619	-137,495	68,148	326,659	-45,038	1,000,000	770,975	+90,738	152,535	302,205	50.4
Scandinavia	2,277,664	+414,498	132,240	1,130,581	+262,576	200,000	600,773	+61,144	364,300	1,207,722	30.2
Springfield F. & M.	27,107,373	-4,547,324	1,708,744	11,107,302	-1,532,945	5,000,000	6,885,681	+1,620,993	5,188,612	10,278,293	50.4
Standard, N. J.	2,685,356	-179,127	256,997	1,218,870	-112,710	300,000	710,038	+6,900	435,345	924,662	47.2
Thames & Mersey Marine	1,276,907	+24,447	.....	132,165	+9,750	200,000	679,897	+51,186	185,782	443,983	41.8
Victory, Pa.	1,631,090	-32,409	86,948	177,233	-27,583	1,000,000	274,355	+81,492	73,331	154,670	47.4
West & South	1,031,638	+493,933	.....	36,884	+5,125	250,000	730,824	+487,493	39,067	76,093	51.4

\*Includes loss expense.

†Dec. 31, 1933, market values.

‡As the actual Dec. 31, 1933, market quotations on bonds and stocks exceed amortized value carried no contingency reserve is necessary.

## MUTUALS

	Security		Unearned	1933		Losses	Total	Total
	Cash	Fluc. Res.		Cash	Prem.			
Central Manufacturers, O.	\$4,419,191	\$ 250,000	\$2,092,855	\$1,890,160	\$2,921,933	\$1,191,079	\$3,476,694	\$3,364,553
Dedham Mutual Fire	272,761	47,009	88,007	129,231	62,197	18,919	73,297	63,030
Hardware Mutual, N. C.	179,497	11,090	27,681	135,362	48,179	13,014	61,534	46,223
Hingham Mutual, Mass.	779,636	50,000	304,535	324,746	219,560	77,768	256,572	239,636
Norfolk Mutual Fire, Mass.	1,219,338	191,086	235,180	777,584	176,346	61,496	236,796	175,958
Pennsylvania Lumber	2,723,889	.....	807,542	1,561,369	1,341,067	534,848	1,449,376	1,321,958
Phoenix Mutual Fire	339,930	12,141	151,272	154,069	122,050	43,211	144,711	198,763
Salem Mutual Fire, Mass.	142,738	.....	68,453	68,307	63,201	23,788	68,668	70,885
State Fire, N. H.	138,969	5,100	41,359	89,246	35,395	12,650	76,682	74,760

## RECIPROCAL AND EXCHANGES

Chicago Lloyds	2,014,480	429,681	1,218,200	1,026,287	444,299	1,174,902	1,090,895
Manufacturers & Wholesalers Indem. Exch., Cal.	247,920	61,219	170,282	166,521	41,477	181,102	189,138
Motor Indemnity, Ind.	318,450	121,622	.....	310,760	146,602	325,162	238,718
Reciprocal Exchange, Mo.	1,519,851	461,287	1,001,474	695,812	292,340	755,423	796,547
State Auto., Ind.	1,625,282	343,781	473,518	1,634,101	1,211,657	1,739,756	1,552,015

\*Does not include notes and policyholders' contingent liability.

†Dec. 31, 1933, market values.

## Changes in U. &amp; O. Form in West Are Being Pondered

A number of use and occupancy changes are being advocated in the west and are being given serious consideration.

One proposal is to offer alternative co-insurance percentages to the single 100 percent contribution form, which is the only one now available. There may be an 80 percent co-insurance form allowed as in the east.

Another proposal is to change the contribution clause so as to make the amount of insurance required correspond more exactly to the benefits payable under item one. In the present form, insurance must be carried covering annual net profits and the annual amount of all charges and other expenses, whether or not these charges and other expenses necessarily continue during a total or partial suspension of business.

The benefits provided under item one, however, are limited to net profits and expenses, as must necessarily continue during a total or partial suspension of business.

Still another proposal is to give effect to the five day week, under which many plants are operating, in the per diem form.

## Detroit Company Officials Honor Commissioner Gauss

Celebrating the close of his first year of service as Michigan insurance commissioner, the affiliated insurance interests of Detroit tendered a banquet to Charles E. Gauss. Thirty-five executives attended. W. G. Curtis, president National Casualty, introduced Claris Adams, executive vice-president American Life, who acted as toastmaster.

Among those who responded were George K. March, president Detroit National Fire; Clarence L. Ayres, president American Life; Raymond Waldron, vice-president Detroit Fire & Marine; P. W. A. Fitzsimmons, president Michigan Mutual Liability; S. A. Lambert, president Agricultural Life; J. J. Ramsey, general manager Detroit Automobile Inter-Insurance Exchange; Ethan Thompson, supreme commander of the Macabees; H. H. Smith, former president Central West Casualty; L. T. Hands, vice-president and general manager Michigan Life; Armstrong Crawford, president Great Lakes Casualty; John A. Reynolds, president Detroit Life; H. D. Brown, counsel Detroit Automobile Inter-Insurance Ex-

## Parleys of State Officers and Councillors Arranged

Some of the arrangements for the mid-year meeting of the National Association of Insurance Agents in Louisville have been announced by Secretary W. H. Bennett.

The National Council will hold its first session at 10 a. m. March 20 in the Brown hotel. President Allan I. Wolff of Chicago will preside.

At the same hour the state officers meeting for state association presidents and secretaries will go into its first session with E. J. Cole of Fall River, Mass., chairman of the executive committee, presiding.

There will be a joint luncheon conference of the National councillors and state association officers at 1 p. m., March 20. The afternoon sessions of the state officers and national councillors will reconvene at 2 p. m.

P. B. Bethel, secretary of the Louisiana change, and J. E. Reault, actuary Michigan department.

Problems that are confronting all types of carriers operating in Michigan were discussed informally with the commissioner.

## Theory of Scientific Rate Called Harmful Delusion

## REST ON EMPIRICAL BASIS

O. E. Lane, in Pittsburgh Addresses, Says Business Should Be Frank as to Tariff Structure

The theory that fire insurance rates rest on a scientific basis cannot be substantiated and the business should not present them to the public as such, according to Otho E. Lane, president of the Fire Association, who addressed the luncheon meeting of the Smoke & Cinder Club during Pittsburgh Insurance Day.

One of the greatest and most harmful delusions in the fire insurance business is the conception that rates are scientifically made, he said. Rates, he declared, rest on an empirical rather than a scientific basis. It is difficult to justify rates on the ground they are based on scientific principles.

## False Idea of Perfection

A false idea of perfection, he said, can be a hindrance to a reasonable and practical solution that can be justified.

Nowhere in the United States, Mr. Lane said, has a better system of rating machinery been developed than in Pennsylvania. The rating procedure in that state has been carried to the point where greater efficiency can be expected.

Mr. Lane also made some remarks about fire insurance salesmanship. There is the consideration what salesmanship can do of a questionable nature and what it can do legitimately. The salesman must believe in his service himself and must have a sense of its validity, together with a zest and an interest in the thing itself. When the sense of validity seems strong, life itself has greater significance. It is an emotional proposition and is not born of reflective thinking or conviction.

Over expectation, he said, when carried beyond a reasonable point leads to disappointment, which leads to hostility, then to mutual hostility and then to impairment of loyalty.

The way to sell fire insurance, he said, is to cut the form to the needs of the customer. He said no complicated scheme of talkativeness will cause a man to buy something he doesn't need. Therefore high pressure salesmanship is not effective in the fire insurance business. Salesmanship comes down to good will, honest service and direct approach to the problem.

ville Board, said Monday that 108 members of the National association had secured advance reservations at the hotels through his office, while probably nearly as many have made their reservations direct with the hotels. A total attendance of 500 or more is expected.

Alfred Dickinson, Inc., 2361 Union Guardian building, Detroit, has been incorporated by Alfred Dickinson, Julian Dickinson and Clara M. Dickinson, and the Robert Peters Agency, Marquette, by R. T. Peters and H. J. Larson, both of Marquette.

## COURT DECISIONS

A special page of recent court decisions is given on the inside back cover of this issue.

## NEWS OF THE COMPANIES

### Reviews Year's Developments

#### Levison Stresses Marine Definition, Menace of Taxation, Problem of Fixed Expenses

SAN FRANCISCO, Feb. 28.—One of the most constructive accomplishments in 1933 was the adoption of the marine underwriting definition, J. B. Levison, president Fireman's Fund, declared in his annual report. He said 1933 brought many improvements but a number of problems still have to be considered and solved. He mentioned the "menace of increased taxation" and the perplexing problem of fixed expenses.

"With the colossal program of expenditures laid down by the federal government, and the extravagance of the states and municipalities, the menace of increased taxation is cause for grave concern," he said. "The matter of expenses continues to have close attention, the problem being complicated by the fact that a large proportion of expenses is definitely fixed and beyond control."

Referring to investments he said: "The investment of funds has become increasingly difficult because of uncertainty respecting the financial policy of the government, the fear of inflation and apprehension with regard to the future of railroads, power and light companies, and other public service organizations, due to legislative agitation," pointing to the "difficulty under existing conditions" of proper investments.

"Conservative optimism and confidence" are apparently justified, however, he said, pointing to "the impressive efforts toward recovery now being made by our government, and the upward business trend in various parts of the world."

#### Has Report on Pioneer Fire

##### Illinois Department Issues Some Orders After Examination of the Chicago Company

Examination has been made by the Illinois department of the Pioneer Fire of Chicago as of Oct. 1. Up to Oct. 1 its premiums were \$32,967 and total income \$46,171. Its losses were \$27,669 and total disbursements \$61,545. Its assets were \$246,355, premium reserve \$111,121, capital \$100,000, net surplus \$9,747. This is a small company and the management and stockholders are largely Polish people. The department makes the following orders:

1. Salaries of officers should be authorized at the annual meeting of the board for the term for which they are elected and no additional sums should be paid during that period.

2. Closer supervision should be given the management by the officers so that the practice regarding reinsurance as set forth in the report will not reoccur. It was found that the gross amount of loss recovered by reinsurance during the first nine months was \$32,233, whereas the amount reflected in the financial statement is \$15,210. The difference represents a charge against the amount of recoveries due to a reimbursement made to the two reinsurance carriers for reinsurance losses previously paid by them through this company. This prepayment was occasioned by the detection on part of the reinsurers of dishonest practices of certain former employees of the Pioneer Fire.

3. No further dividends should be paid stockholders until the condition of the company is improved materially and the matter first submitted to the department.

4. The collateral loan outstanding \$5,400, deducted as an asset not admitted, secured by a purported first

mortgage loan should be collected not later than March 15.

5. The management should make every effort to effect material reduction in its agents' balances more than 90 days old.

6. A record of the premiums in force should be installed immediately and maintained in its office in the future.

7. A register to record the bonds owned should be installed immediately.

8. Operating expenses should be kept at a minimum.

#### Samoisette Manager for National

A. Samoisette, Montreal, has been appointed manager of the National of Hartford. He is Canadian manager of the Phenix of Paris and General of Paris, which position he retains in addition to the new appointment.

#### Exceed Amortized Values

Thames & Mersey Marine investments exceed the amortized valuation basis. For this reason no contingency

reserve is required, although no credit is claimed for the excess of actual market over amortized values. Assets on Dec. 31 were \$1,276,907 and surplus \$679,997.

#### Keifer Assistant Secretary

H. J. Keifer of Charlotte, N. C., has been promoted to assistant secretary of the Piedmont Fire of the Aetna Fire group. For several years he has been agency superintendent.

#### Would Increase Capital

The Selected Risks Fire of Washington, N. J., has filed notice with the New

**A.D.T.** representatives in one hundred and seventeen important cities throughout the United States are preaching the gospel of economy through the use of modern methods of protecting property. This activity is of direct benefit to the insurance industry... it helps to reduce the loss ratio... it helps wide awake companies secure new business with new arguments.


As an example:... when an automatic sprinkler system is supervised by A.D.T. its efficiency is increased and its value as a fire fighter is improved... Result—the chance of a serious loss is measurably lessened.

Get the friendly assistance of A.D.T. men... They are well equipped to cooperate and advise—and well deserving of your confidence.

AMERICAN DISTRICT TELEGRAPH CO.

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Offices in all principal cities in the U. S.

**FIRE**  **THEFT**  
*Electric*  
**PROTECTION**



# THE AMERICAN INSURANCE COMPANY

NEWARK, NEW JERSEY

88th Annual Statement, January 1, 1934

Capital Stock .....	\$ 3,343,740.00
Liabilities .....	16,427,913.33
Contingency Reserve .....	2,414,376.78
Special Reserve Fund.....	300,000.00
Net Surplus .....	5,282,937.74
	<b>\$27,768,967.85</b>

## ASSETS

*United States Government Bonds.....	\$ 2,429,679.54
*Railway and Other Bonds and Stocks.....	15,804,139.69
Bonds and Mortgages.....	1,750,770.68
Real Estate .....	4,650,000.00
Cash in Banks, Trust Companies & Office....	1,327,914.08
Interest and Rents Due and Accrued.....	120,355.61
Reinsurance Recoverable on Paid Losses....	85,107.42
Agency Balances (not over 90 days due)....	1,601,000.83
	<b>\$27,768,967.85</b>

## LIABILITIES

Unearned Premiums .....	\$12,993,359.05
Reserve for Losses.....	2,387,617.16
Contingency Reserve .....	2,414,376.78
Other Liabilities .....	1,346,937.12
	<b>\$19,142,290.11</b>

\*Valuations prescribed by New York Insurance Dept. Surplus on Market Quotations Dec. 31.

## THE AMERICAN GROUP

The American Insurance Co., Newark, N. J.  
The Columbia Fire Ins. Co., Dayton, Ohio  
Dixie Fire Insurance Co., Greensboro, N. C.  
Bankers Indemnity Ins. Co., Newark, N. J.

Consolidated Assets, January 1, 1934

Reserves and Liabilities.....	\$24,539,701.83
Capital .....	3,343,740.00
Net Surplus .....	5,282,937.74
	<b>\$33,166,379.57</b>

Jersey department of intention to increase capital from \$100,000 to \$500,000 and broaden its underwriting scope. The company was started in 1929 and has confined its business to New Jersey.

### Additional Remittances

The following completes the list of remittances to and from the home office by foreign companies operating in the United States:

	From	To
Urbaine Fire .....	\$ 336,405.00	
Christiania Genl. ....	34,828.21	
Royal Exchange..	287,742.31	723,576.72
Eagle, Star & B. D.	75,883.08	250,223.64

### Ace Mutual's New Plans

At the annual meeting of the Ace Mutual of Des Moines a special policy for farm automobile owners was adopted. The company is considering entering the residence fire insurance field. So far it has confined itself to automobile insurance.

D. R. Miller, Des Moines attorney, was named general counsel and a director.

### Requires Spark Arresters

The Farmers Conservative Mutual of South Bend, operating in a number of counties of northern Indiana, will refuse further risks on dwellings with shingle roofs unless chimneys are equipped with

spark arresters. D. E. Steele, secretary-treasurer, has resigned, and is succeeded by Delbert Shimp. Mr. Steele remains a director.

### Figures from Statements

**National Liberty**—Assets, \$16,439,806; unearned prem., \$6,389,622; loss res., \$896,427; capital, \$4,000,000; surplus, \$3,481,120; net prems., \$4,951,445; losses pd., \$2,705,728.

\* \* \*

**City of New York**—Assets, \$5,103,392; unearned prem., \$1,447,906; loss res., \$313,022; capital, \$1,500,000; surplus, \$812,127; net prems., \$1,737,522; losses pd., \$654,044.

\* \* \*

**Northern, N. Y.**—Assets, \$8,713,722; unearned prem., \$3,673,646; loss res., \$342,300; capital, \$1,000,000; surplus, \$2,728,960; net prems., \$3,538,843; losses pd., \$1,310,697.

### Company Notes

The **Liberty Underwriters** of the Capital Fire of California has been licensed in Oregon.

President **H. K. Dent** of the General of Seattle was in Denver last week for a meeting of the company's Colorado agents.

A receiver has been ordered appointed for the **Great Lakes** of Chicago, which a few years ago was merged with the Public Fire of Newark, N. J. H. B. Hershey, head of the Illinois insurance liquidation bureau, was appointed receiver. The Great Lakes has been inactive since Oct. 1, 1931, when its business was taken over.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### BUSINESS ENGLISH COURSE

A course in business English will be conducted under the auspices of the New York City Insurance Society. Lectures on a particular phase of the general subject will be delivered by E. J. Kilduff, assistant dean and professor of business English at New York University, each successive Friday from March 9 to May 18 inclusive. The fee for the course is \$5.

\* \* \*

### INSURANCE SOCIETY DINNER

Plans have been completed for a large dinner of the Insurance Society of New York March 7 at the Hotel Pennsylvania. The speakers will be Frederick Richardson, United States manager of the General Accident, and Hartwell Cabell, well known insurance lawyer, head of the law firm of Cabell, Ignatius & Lown of New York.

A. R. Phillips, vice-president of the Great American, is president of the society; John McGinley, manager Travelers, and J. W. Russell, vice-president Aetna Fire, are vice-presidents. E. R. Hardy, the secretary, has been with the society 25 years.

\* \* \*

### EDWIN STEWART SYNDICATE

In addition to the American of Newark, the companies associated in the organization formed by Edwin Stewart of New York City for writing excess of loss contracts for fire offices include the National Union, Hanover, Camden and Rossia. Other companies, it is anticipated, will join later. While the organization plans to write covers for fire companies only, a field apparently exists for a combination willing to grant excess over indemnity for assureds beyond an agreed deductible amount. There is considerable business of this character written by individual offices, the deductible in the case of some large schedule lines, running into substantial figures as to each individual risk affected.

\* \* \*

### ASSURED LIABLE FOR PREMIUM

An assured who paid his broker premiums developed in the monthly report under an inland marine policy is liable to the insurer for those premiums, if the broker fails to remit to the company. This is the holding of the city court of the City of New York in an action

brought by the Aetna Life companies against Harris & Reichart Fur Dyers, Inc.

The initial premium of \$250 was remitted to the company, but the subsequent premiums were not.

Harris & Reichart contended the recognized principle is an insurance broker becomes the agent of the company for collection of premium if the company entrusts the policy to him for delivery and collection of the premium.

The Aetna Life companies admitted the broker was their agent for collection of the premium stated in the policy, but not for any additional premiums which might become due in the future. The court concurred in this view.

\* \* \*

### RUPPRECHT A BENEDICT

C. F. Rupprecht, assistant United States manager of the Commercial Union, is now an honored member of the old established order of benedicts, having been married to Mrs. Agnes Smith Gooding in Bronxville, N. Y., Feb. 24.

### WANTED

Engineer, preferably with electrical engineering training, by large, old legal reserve mutual fire insurance company, for inspection work. Desire man living in Central Illinois who could probably develop into a producing representative after a year in the Engineering Department. State experience and starting salary expected. Address Y-32, The National Underwriter.

### Wanted Position

as Fire & Casualty Underwriter with Reliable General Agency, in Tennessee or Georgia, by young man, with ten years experience in General Agency. Now employed. Address Y-34, The National Underwriter.

Audits Investigations  
**FERGUSON, DANIELS & PORTER**  
ACCOUNTANTS AND ACTUARIES  
102 Maiden Lane, New York, N. Y.  
Organization Management

## Premiums for Two Years in Manhattan and Bronx Given

### LIST OF LEADERS ON VOLUME

Writings in Last Half of 1933 About 9 Percent Less Than Same Period of 1932

Premiums of stock fire companies in Manhattan and the Bronx for the last six months of 1933 decreased about 9 percent, compared with the same period in 1932. Total writings for the last half of 1933 were \$8,063,944 and for the last half of 1932 they were \$8,942,467. The leading companies and their premiums for the entire year of 1933 and the entire year of 1932 follow:

	1933	1932
Home .....	\$ 975,829	\$1,143,763
Great American ....	780,332	793,006
Continental .....	607,838	647,937
National Liberty....	370,952	404,512
L. & L. & G. ....	349,741	404,512
U. S. Fire .....	346,650	442,253
Automobile .....	333,178	332,360
American Equitable ..	321,863	387,510
Commercial Union..	317,986	354,924
North America .....	293,689	375,063
North British .....	291,280	309,505
Hartford .....	270,604	275,330
Aetna Fire .....	263,746	253,667
Lond. & Lancashire..	259,070	273,794
North River .....	253,060	429,519
Royal .....	249,296	265,717
Phoenix, London....	233,915	195,474
Sun .....	227,380	177,386
St. Paul F. & M. ....	211,083	168,209
Fidelity Phenix ....	207,573	183,399
American .....	203,804	153,392
Fire Association ....	202,363	218,731
National .....	200,466	249,579
Travelers Fire .....	199,201	178,976
Philadelphia F. & M.	192,981	189,885
Firemen's .....	188,987	148,124
City of N. Y. ....	183,392	206,004
National Union ....	182,332	147,680
Scottish Union .....	176,141	222,066
Northw. National...	169,017	120,337
Phoenix, Hartford ..	166,451	173,449
Franklin .....	161,105	131,925
Queen .....	157,537	177,315
Natl. Ben Franklin..	157,054	134,230
Westchester .....	149,198	169,759
Concordia .....	146,600	176,334
Pearl .....	144,792	24,155
Springfield .....	141,022	148,455
Standard, N. Y. ....	138,237	157,282
Buffalo .....	129,812	116,432
American Eagle ....	123,728	306,642
New York Fire .....	123,642	135,257
Agricultural .....	122,977	135,013
Norwich Union .....	123,829	113,390
Mercantile .....	112,723	118,179
Standard, N. J. ....	112,097	86,172
Star .....	111,435	109,766
Pennsylvania .....	109,977	144,639
Knickerbocker .....	109,860	146,416
First American .....	106,384	52,655
Orient .....	104,897	97,368
Prov. Washington..	104,655	107,517

By groups the premiums for the entire year 1933 and 1932 are as follows:

	1933	1932
Home .....	\$1,961,396	\$2,165,142
America Fore .....	1,388,936	1,549,124
Great American....	1,055,579	1,066,849
Royal-Liverpool ..	1,051,503	1,103,935
Crum & Forster....	950,957	1,254,891
Corroon & Reynolds	759,595	855,685
Firemen's .....	702,970	723,109
North America .....	648,830	723,109
No. Brit. & Merc. ..	641,755	701,421
Commercial Union..	551,818	629,648
Lond. & Lancashire..	493,039	517,816
Phoenix, England...	415,352	395,576
Aetna Life .....	385,731	356,762
Hartford .....	356,839	392,838
Aetna Fire .....	340,901	309,258
Fire Association ....	311,876	315,067
Sun .....	293,636	298,809
National .....	284,152	466,672
St. Paul .....	244,147	183,598
American .....	221,933	176,463
Scottish Union .....	211,897	275,524
Springfield .....	204,987	202,041
*Phoenix of Htfd...	204,232	328,032
Tokio .....	202,236	240,044
Fireman's Fund ....	189,376	179,956
Meserole .....	166,916	115,551
Agricultural .....	154,552	155,040
Norwich Union .....	151,642	127,194
Yorkshire .....	139,969	232,969
London .....	134,131	141,767
Merchants of N. Y. .	133,888	143,555
Glens Falls .....	119,246	132,182
Hanover .....	117,729	77,499
Boston .....	115,032	107,651
*Prov. Washington..	104,655	116,446
Atlas .....	94,053	109,612
Dubuque F. & M. ....	91,712	115,749
Northern of London	81,251	117,095
*Royal Exchange ..	78,624	152,341
Secur. of New Haven	74,845	75,025
Lumbermen's .....	73,248	44,233
Pleper .....	53,323	88,276
Caledonian .....	48,632	62,695
New Hamp. Fire...	29,240	46,584

\*Incomplete.

Following are the figures of the leading New York agencies, showing fire

premiums written during the last half of 1933 and the last six months of 1932:

	1933	1932
Central Fire Agency ...	\$350,209	\$387,321
Hoey & Ellison .....	318,332	413,061
Hall & Henshaw .....	252,699	252,538
Pioneer Agency .....	199,313	.....
Willard S. Brown & Co.	196,882	229,051
McDaniel, Cloud & ..	.....	.....
Maeser .....	195,123	178,671
Wallace Reid & Co....	185,841	212,988
Fowler & Kavanagh...	184,723	158,514
F. H. Ross Agency....	157,510	174,560
W. L. Perrin & Son...	156,046	148,375
William H. Koop .....	134,828	144,578
C. W. Sparks & Co....	123,480	126,572
Zweig, Smith & Co....	117,655	124,611
Fuller & Kern .....	114,730	97,203
Rose & Bala .....	108,223	104,039
Ross Underwriters .....	105,003	45,611
R. B. McFalls & Co....	104,750	122,290

## Countersigning by Resident Agents Required in Alabama

BIRMINGHAM, ALA., Feb. 28.—Countersignature of a local agent is required to each fire or casualty policy written in Alabama and companies failing to abide by this requirement are subject to penalties under a ruling by Superintendent Greer. He cites a law which has been in effect several years but unenforced. Companies have been asked to comply. There had been numerous complaints from local agents that much of their business was being

lost due to increase in overhead writing. The Alabama Association of Insurance Agents labeled the practice one sore spot with local agents.

Casualty agents in particular vehemently have protested against overhead writing, which they claim has taken away from them the bulk of the surety bond business on highway contractors and other contractors on public projects. Other types of business being lost by the same route are automobile finance and inland marine accounts, and business written through fire brokerage concerns. Under Mr. Greer's ruling a special or field agent will not be permitted hereafter to countersign policies.



## TWO STRONG COMPANIES

Writing All Lines of Fire and Casualty Insurance

Statement of Condition December 31, 1933

### ASSETS

	Western Casualty & Surety Co.	Western Fire Ins. Company	Combined
Cash .....	\$ 180,569.31	\$ 105,534.27	\$ 286,103.58
U. S. Government Bonds....	442,385.32	134,429.77	576,815.09
State and Municipal Bonds..	466,054.92	214,060.63	680,115.55
Other Bonds .....	531,244.99	369,935.70	901,180.69
Stocks (Actual Market Value)	894,919.09	130,150.25	1,025,069.34
First Mortgage Loans.....	.....	183,839.60	183,839.60
Accrued Interest .....	22,194.07	23,558.94	45,753.01
Prem. in Course of Collection	572,462.08	86,799.84	659,261.92
Other Admitted Assets.....	6,372.67	37,260.31	43,632.98

TOTAL ASSETS ..... \$3,116,202.45 \$1,285,569.31 \$4,401,771.76

### LIABILITIES

Reserve for Unearned Prems. \$	994,414.38	\$ 299,591.46	\$1,294,005.84
Reserve for Losses.....	1,024,642.85	61,629.46	1,086,272.31
Reserve for Commissions and Expenses .....	143,144.14	43,655.80	186,799.94
Capital .....	750,000.00	500,000.00	1,250,000.00
Surplus .....	204,001.08	380,692.59	584,693.67

\$3,116,202.45 \$1,285,569.31 \$4,401,771.76

All Reserves for Protection of Policyholders (Unearned Premiums, Losses, Taxes and Expenses) Are Held in CASH AND BONDS.

THE WESTERN CASUALTY AND SURETY CO.  
THE WESTERN FIRE INSURANCE CO.

E. C. Gordon, Secy.

Ray B. Duboc, Pres.

HOME OFFICE: Fort Scott, Kansas



## PHOENIX ASSURANCE COMPANY, Ltd. of LONDON

150 William Street, New York

1782 - - - 1934

Time-Tested — Depression-proof

An Insurance Company that has endured and prospered for over 150 years is a good one to represent.

You can expect such a Company to continue in the future to uphold proper practices and co-operate with its Agents as it has in the past.

One hundred and fifty-two years means more than age—it means experience, sound and sane judgment, underwriting skill.

## PHOENIX INDEMNITY COMPANY

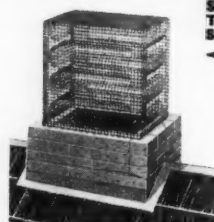
55 Fifth Avenue, New York

Metropolitan Department, 150 William Street.

### ATTENTION FIRE INSURANCE AGENTS:

You Can

1. HAVE FEWER LOSSES
2. MAKE EXTRA COMMISSIONS
3. WRITE MORE INSURANCE WITH



SMOKE PASSES  
THRU - SPARKS  
STOP HERE

### NATIONAL SPARK ARRESTERS

The National Spark Arrester, one style of which is shown above, permits the passage of all smoke and fumes, but stops burning soot and sparks, preventing fires from these causes. (Approved by the Farm Underwriters Assoc.)

**WHEN YOU SUPPLY YOUR ASSURED WITH NATIONAL SPARK ARRESTERS**

1. YOU HAVE FEWER LOSSES because from 40% to 50% of all farm fires are caused by sparks on roofs.
2. YOU WRITE MORE INSURANCE because your clients earn a lower rate by equipping with National Spark Arresters; lower rates mean more business.
3. YOU MAKE EXTRA COMMISSIONS because you can sell more policies and because we pay you for your trouble in handling the order and credit for your assured.

WRITE for information and prices . . . you can profit whether you have 10 risks or 10,000.

**NATIONAL SUPPLY & SERVICE CORP.**

Member N. F. A.

CRAWFORDSVILLE, INDIANA

## NEWS OF FIELD MEN

### Chandler Named in Michigan

Son of Agency Superintendent of Great American Succeeds Kelley with American National

Charles S. Chandler of the Indiana Inspection Bureau has been named Michigan state agent for the American National of the Great American group. He takes the place of E. L. Kelley, who was taken into the head office of the Great American as agency superintendent.

Mr. Chandler is a son of O. A. Chandler, agency superintendent in the western department of the Great American. He graduated in the fire protection engineering course at Armour Institute of Technology. In the summer, during his college course, he was employed in the Michigan Inspection Bureau and remained in that connection on a full time basis about three years following his graduation. He has been in the Indiana Inspection Bureau about two years.

### Breen Assistant Secretary of Standard of New Jersey

Frank J. Breen, who for 11 years has been traveling a number of middle western states for the Standard of Trenton, has been elected an assistant secretary of that company. He has headquarters in Chicago and is responsible for Illinois, Indiana, Wisconsin, Minnesota and Missouri. When he went into that field, the Standard did not have a plant of any kind in those states and had never employed a field man there. Mr. Breen has built a sizable and most profitable business for his company.

### Edward A. Logue's New Post

Edward A. Logue has been appointed resident secretary in charge of the fire insurance department of Logue Bros. & Co. at Pittsburgh. He is a son of C. M. Logue, one of the founders of Logue Bros. & Co. For some years he has been acting as special agent for the Security of New Haven in western Pennsylvania field. Mr. Logue will have full charge of the development and supervision of the fire business of Logue Bros. in the western Pennsylvania territory.

### Howard Hudler Resigns

Howard Hudler of Chicago, special agent of the Tokio and Standard of New York in Illinois and Wisconsin, has resigned. Mr. Hudler states that his plans for the future have not been as yet formulated. At one time he also traveled in Michigan but in recent times has confined his attention to Wisconsin and Illinois.

### To Discuss Fire Fighting

CLEVELAND, Feb. 28.—Gray Jones of Walter Kidde & Co., manufacturers of fire extinguishing products, will talk to the Fire Insurance Field Club of Cleveland March 19 and demonstrate the use of chemicals in fighting volatile fires, with the aid of motion pictures.

### Boston, Old Colony Field Roundup

Twenty or more field men attended the annual meeting this week with officers of the western department of the Boston and Old Colony at Lansing, Mich. Discussion of current trends and company policies featured the three-day session, which started with a dinner Monday night.

### Harvey Fire Waste Chairman

Lester S. Harvey of Augusta, state agent of the New Hampshire Fire, has

been appointed chairman of the contest committee of the National Fire Waste Council for Maine, succeeding Norman Wilkins, resigned.

### Biggers with T. A. Manning

J. U. Biggers, for eight years special agent in northwest Texas for the Home fleet and lately with the Fire Companies Adjustment Bureau, has taken over the northwest Texas territory for T. A. Manning & Sons of Dallas, with headquarters at Lubbock.

### Inspections in Michigan

Thirty Michigan field men participated in the inspection of Benton Harbor and St. Joseph, sponsored by the Michigan Fire Prevention Association.

R. E. Verner and H. K. Rogers of the Western Actuarial Bureau spoke. Midland, Mich., will be inspected March 15 instead of March 14, because of a conflict of dates with the Blue Goose and Michigan Fire Underwriters Association meetings in Saginaw.

### Indiana Blue Goose Plans

The Indiana Blue Goose will hold a dinner party and initiation early in April. E. H. Richardson has been appointed chairman of the committee on arrangements.

### Field Notes

R. E. Verner, Western Actuarial Bureau, will speak at the inspection of Connorsville, Ind., March 21.

Appleton, Wis., will be inspected May 23-24 by the Wisconsin Fire Prevention Association.

Bellaire, O., will be inspected March 29 by the Ohio Fire Prevention Association. H. K. Rogers, Western Actuarial Bureau, will take part.

### Storm Affects Boston

BOSTON, Feb. 28.—The heavy weather here this week disrupted the routine in insurance offices, as well as throwing business operations generally out of gear. Most of the offices Tuesday closed at an early hour and company correspondence with agents was delayed.

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, at close of business Feb. 26

Stock	Par	Share	Bid	Asked
Aetna Cas. ....	10	1.60	50	53
Aetna Fire ....	10	1.60	34	36
Aetna Life ....	10	...	18½	20
American, N. J. ....	2.50	.50	9	10
Amer. Surety ....	25	...	20	22
Automobile, Conn. ....	10	1.00	20	22½
Boston ..... 100	16.00	450	460	
Cont'l Assur. ....	10	2.00	29	31
Continental Cas. ....	5	1.60	14	16
Continental Ins. ....	2.50	1.20	30½	31
Fidel-Phenix ....	2.50	1.20	30½	31
Fire Assn. ....	10	2.00	40	42
Fireman's Fund. ....	25	3.00	58	60
Fireman's F. Ind. ....	10	...	18	22
Firemen's ....	5	...	6½	7¼
Franklin Fire ....	5	1.00	18	20
Glens Falls ....	10	1.60	28	30
Globe & Rutgers ....	25	...	48	52
Great Amer. Ind. ....	1	...	9	11
Great American. ....	5	1.00	19	20
Hanover ..... 10	1.60	28	30	
Harmonia ..... 10	1.00	18	20	
Hartford Fire ....	10	2.00	46	48
Home, N. Y. ....	5	1.00	22	23
Home F. & M. ....	10	2.00	28	31
Ins. Co. of N. A. ....	10	2.00	46	47
Maryland Cas. ....	1	...	2	2½
Mass. Bonding ....	25	...	16	19
National Cas. ....	10	...	7½	9
National Fire ....	10	2.00	52	54
National Liberty ....	2	*2.00	5½	6¼
National Union. ....	20	...	75	78
New Amst. Cas. ....	5	1.20	11	12
N. Hampshire F. ....	10	1.60	34	35
North River ....	2.50	.60	20	22
N. W. National. ....	25	5.00	94	99
Phoenix, Conn. ....	10	2.00	56	58
Preferred Ac. ....	5	...	11	13
Prov. Wash. ....	10	...	29	30
Security Ins. ....	10	...	28	30
Sprgfd. F. & M. ....	25	4.50	94	96
St. Paul F. & M. ....	25	6.00	124	128
Travelers ..... 100	16.00	420	430	
U. S. Fire ....	4	1.20	35	37
U. S. Fld. & G. ....	2	...	5¼	5¾
Westchester F. ....	2.50	1.00	24	26

\*Paid during 1933.

## AS SEEN FROM CHICAGO

### NO COMPLIMENTARY DAILIES

Western Manager C. R. Street of the Great American stated at the banquet given in his honor last week that he did not intend to carry on a campaign for new business because of his 50th anniversary in starting in insurance in Chicago. He said that at times these anniversaries were used as a stimulator of business, agents being asked to send in new risks in honor of the event. Mr. Street candidly said there was no new business of consequence these days and that if he succeeded in pulling away \$200,000 because of his pressure on agents or their desire to compliment him it would be taking that much away from other companies. Later on he said that some other companies might get more than that back from the Great American through similar complimentary practice.

\* \* \*

### W. U. A. MID-YEAR MEETING

The Western Underwriters Association mid-year meeting will be held in White Sulphur Springs, W. Va., April 17-18.

\* \* \*

### NORTH AMERICA FIELD ROUNDUP

The western department of the North America this week has its field roundup, the men coming in by relays, there being 68 in all. Sheldon Catlin, vice-president, stopped off en route home from the Pacific Coast on Tuesday. Vice-President J. O. Platt came from the home office to be in Chicago during the entire time the field men are there. As each coterie closed its business deliberations, a dinner was given by Manager C. R. Tuttle at his hotel. Mr. Tuttle at the end of the conference will return to St. Petersburg, Fla., where he is spending the winter.

\* \* \*

### NEW DEAL IN HOLC

C. F. Kramp, manager of the insurance department of the Home Owners Loan Corporation in Illinois, is cooperating with insurance men in that state to be sure that business of agents and brokers is not disturbed and that there is no favoritism. Before the HOLC regime in Chicago, the insurance business was largely controlled by C. M. Varde and the Metropolitan Insurance Agency. Mr. Kramp has caused the cancellation of hundreds of policies that were switched to these agencies and has caused them to be restored to former channels. Mr. Kramp in private life operates an insurance agency and real estate office on the south side of Chicago.

Mr. Kramp has just obtained authority from Washington to stamp on the HOLC mortgage clause in Illinois the following statement: "Mortgagee's interest hereunder shall not be invalidated by foreclosure. Such interest to the extent of the entire indebtedness, both principal and interest, shall continue during the redemption."

\* \* \*

### INSPECT A. D. T. EQUIPMENT

Over 20 members of the Fireman's Fund Chicago office will visit the American District Telegraph Company's operating room and demonstration laboratory in Chicago Friday evening as the guests of R. E. Maginnis, A. D. T. protection engineer. M. S. Grange of the Fireman's Fund is in charge of the party.

\* \* \*

### HOLD ANNUAL ROUNDUP

The "nominating committee" held its annual round-up and dinner in Chicago Saturday evening. This informal organization was started a number of years ago by a coterie of Chicago men who made it a point to nominate candidates for vacancies in official and managerial ranks. The original members

were Rockwood and P. B. Hosmer, Rollin I. Read, Fred J. Sauter, A. O. Burdick, all Chicago local agents; H. M. Carmichael, manager Oil Insurance Association; E. L. Rickards, western manager National Automobile Underwriters Association; H. A. Miller, assistant manager North America; Fred A. Rye, now manager of the Improved Risk Mutuals in New York; Ralph Rawlings, president Monarch Fire, and John Gal-

lagher, agency superintendent Aetna Fire. Of the original number Messrs. Gallagher and Burdick have died. The other members were present Saturday night except Messrs. Rye and Rawlings. The invited guests were R. C. Hosmer, vice-president Excelsior; C. F. Thomas, secretary Western Underwriters Association; Fred M. Gund, western manager Crum & Forster; J. C. Harding, western manager Springfield F. & M.; E. A. Henne, western manager America Fore; A. F. Powrie, western manager Fire Association; J. S. Glidden, manager Chicago Board; W. Egbert Rollo, Chicago agent, and F. J. McAuliffe of the Chicago fire insurance patrols.

## Massachusetts Governor

### Signs Several Measures

BOSTON, Feb. 28.—Governor Ely has signed several insurance measures including a bill making notice of cancellation by registered mail "sufficient notice;" a bill authorizing the insurance commissioner to advertise warnings against unlicensed insurers, a bill to repeal obsolete provisions of the law regarding domestic mutuals, and a bill eliminating the risk and premium exhibit from the annual statements of fire and marine companies.

# MONARCH FIRE INSURANCE COMPANY

CLEVELAND, OHIO

RALPH RAWLINGS, President



## ANNUAL FINANCIAL STATEMENT DECEMBER 31, 1933

(New York Basis)

### ASSETS

Bonds and Stocks.....	\$1,210,056.43
Real Estate .....	611,526.87
Mortgage Loans .....	279,772.14
Certificates of Participation, Trusteed Mortgages .....	250,000.00
Cash in Banks and Office.....	196,169.13
Agents' Balances written subsequent to October 1.....	319,144.49
Deposits with Underwriter's Associations.....	1,000.00
Reinsurance Recoverable on paid losses.....	1,462.10
Accrued Interest .....	41,950.92
	<b>\$2,911,082.08</b>

### LIABILITIES

Outstanding Losses .....	\$ 210,162.00
Unearned Premium Reserve.....	1,407,036.66
Taxes, Expenses and Other Liabilities.....	85,586.45
*Contingency Reserve .....	163,589.63
Unearned Premiums and Losses Recoverable on Reinsurance in Companies not admitted in New York State.....	18,740.21
Total Liabilities, except Capital.....	<b>\$1,885,114.95</b>
Capital .....	\$500,000.00
Surplus .....	525,967.13
Surplus to Policyholders.....	<b>1,025,967.13</b>
	<b>*\$2,911,082.08</b>

\*Contingency Reserve, representing difference between values carried in assets for non-amortizable bonds and for stocks and actual December 31, 1933, market quotations on such bonds and stocks.

## Results on Principal Lines in 1933

Central Fire, Md.			Hartford Fire		
	Premiums	Losses		Premiums	Losses
Fire .....	\$ 738,124	\$ 291,881	Fire .....	\$23,451,254	\$10,868,959
Motor vehicle .....	66,137	23,730	Ocean marine .....	681,059	267,827
Tornado-windstorm .....	41,885	20,404	Motor vehicle .....	1,962,815	798,648
Hail, rain and flood .....	6,661	2,924	Earthquake .....	12,330	9,498
Sprinkler leakage .....	3,379	1,206	Inland marine .....	1,250,145	529,238
Riot and explosion .....	8,764	2,178	Tornado-windstorm .....	2,384,869	1,301,427
* * *			Hail-crop .....	395,656	236,029
Citizens, N. J.			Sprinkler leakage .....	73,602	32,646
Fire .....	\$ 247,793	\$ 96,142	Riot and explosion .....	108,658	8,614
Ocean marine .....	100,810	38,013	Aircraft .....	25,921	25,133
Motor vehicle .....	7,352	3,347	Other lines .....	36,302	24,327
Inland marine .....	2,886	954	* * *		
Tornado-windstorm .....	9,192	4,389	Empire State		
Hail .....	2,111	648	Fire .....	\$ 411,395	\$ 111,190
Riot and explosion .....	2,156	25	Motor vehicle .....	52,180	31,641
* * *			Tornado-windstorm .....	16,766	9,886
National Union, D. C.			* * *		
Fire .....	\$ 51,053	\$ 8,003	Metropolitan, Ill.		
* * *			Fire .....	\$ 950	.....
Michigan Fire & Marine			* * *		
Fire .....	\$ 972,305	\$ 495,636	Agricultural		
Ocean marine .....	8,695	9,554	Fire .....	\$3,887,379	\$1,797,776
Motor vehicle .....	80,500	29,405	Ocean marine .....	363,547	163,930
Inland marine .....	45,592	24,067	Motor vehicle .....	473,734	308,873
Tornado-windstorm .....	79,492	33,434	Earthquake .....	1,853	6,518
Hail .....	12,287	4,510	Inland marine .....	131,188	75,016
Sprinkler leakage .....	3,128	1,348	Tornado-windstorm .....	192,673	104,919
Riot and explosion .....	4,438	829	Hail .....	2,422	1,788
* * *			Sprinkler leakage .....	12,078	5,104
Security, In.			Riot and explosion .....	7,781	1,162
Fire .....	\$ 465,550	\$ 182,438	* * *		
Motor vehicle .....	18,159	9,869	National F. & M., N. J.		
Earthquake .....	2,104	12,392	Fire .....	\$ 116,666	\$ 80,248
Tornado-windstorm .....	110,430	71,042	Tornado-windstorm .....	13	—3,029

## AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

CHICAGO, U. S. A.

## Financial Statement as of December 31, 1933

Bonds on amortized basis. Stocks at actual market value. Reserve for contingencies includes full provision for adjustment of all assets to December 31, actual market value.

## ASSETS:

U. S. Government bonds .....	\$1,119,905.83
State, county and municipal bonds .....	1,167,101.17
Public utility bonds .....	291,290.84
Railroad bonds .....	102,986.12
Stocks .....	112,205.25
First mortgage loans on real estate .....	385,044.00
Cash in banks .....	515,251.30
Premiums in transmission .....	483,712.35
Due on account of reinsurance .....	64,724.90
Accrued interest and other assets .....	106,744.36
<b>Total Assets .....</b>	<b>\$4,348,966.12</b>

## LIABILITIES:

Reserve for losses .....	\$1,698,750.77
Reserve for unearned premiums .....	951,018.00
Reserve for taxes, expenses and dividends .....	217,754.77
<b>Reserve for contingencies .....</b>	<b>150,000.00</b>
<b>Total liabilities except capital .....</b>	<b>\$3,017,523.54</b>
<b>Capital Stock .....</b>	<b>\$650,000.00</b>
<b>Net surplus .....</b>	<b>681,442.58</b>
<b>Surplus as regards policyholders .....</b>	<b>1,331,442.58</b>
<b>Total .....</b>	<b>\$4,348,966.12</b>

AMICO Writes Automobile, Compensation and General Casualty Insurance. Represented by Leading Agents Throughout the Country.

## Union, Ind.

	Premiums	Losses
Fire .....	\$ 17,845	\$ 8,222
Tornado .....	3,669	1,271
Plate glass .....	13,558	4,910
Auto fire .....	23,657	6,599
Auto theft .....	31,955	11,927
Auto collision .....	87,567	58,240
Auto liability .....	160,678	61,184
Auto prop. damage .....	89,918	15,546

## Northwestern National

Fire .....	\$3,009,269	\$1,136,708
Ocean marine .....	62,668	29,008
Motor vehicle .....	347,572	141,086
Earthquake .....	6,985	1,248
Inland marine .....	44,606	18,601
Tornado-windstorm .....	305,496	104,398
Riot and explosion .....	11,056	49

## New York Underwriters

Fire .....	\$ 668,864	\$ 290,347
Ocean marine .....	146,632	55,291
Motor vehicle .....	35,044	16,180
Inland marine .....	4,792	2,557
Tornado-windstorm .....	33,857	16,982
Sprinkler leakage .....	3,552	802
Riot and explosion .....	5,087	150

## Camden, N. J.

Fire .....	\$3,245,524	\$1,520,333
Ocean marine .....	165,460	76,576
Motor vehicle .....	506,685	246,191
Earthquake .....	2,892	63
Inland marine .....	255,903	206,979
Tornado-windstorm .....	185,385	111,243
Hail .....	4,123	1,261
Sprinkler leakage .....	7,379	1,391
Riot and explosion .....	11,706	3,869

## Propose Excepted Cities

## Separation in E. U. A. Field

NEW YORK, Feb. 28.—Fire circles here are interested in the proposal of the Eastern Underwriters Association to enforce separation in the excepted cities throughout its jurisdiction, action upon which will be taken at the special meeting to be held March 7.

While the advisability of such procedure has been informally discussed in managerial circles for sometime, decision to so recommend was induced largely through the growing activity of the Pearl which is locating in many orthodox company agencies. The course of the same institution in the central west has started agitation among Western Underwriters Association members as to whether it would not be desirable to apply separation in the excepted centers of that field.

Agents in the E. U. A. jurisdiction in ordinary territory are permitted to represent both affiliated and non-affiliated companies if they so elect; in which case they receive a graded commission of 15 and 25 percent, while cleared agencies are paid 20 percent flat.

Separation rules have been in force both upon the Pacific coast and in the south for years, the only exception in the latter field where the regulation has not been fully observed being New Orleans, where excess commissions have been paid a number of offices under the plea that they were general agents. This situation has been taken in hand vigorously and will be fully cleared up by July 1.

## Snow Storm Hits Hartford

HARTFORD, Feb. 28.—For the second time in less than a week, Hartford companies were forced by weather conditions to close earlier than their usual time. All home offices except the Rosia dismissed employees shortly after the lunch hour in order that they might have no difficulty getting transportation to their homes in the snowstorm which had begun to paralyze city and suburban traffic.

Last week, during one of the worst storms Hartford has known in 35 years, several offices did not open at all on Tuesday and officials broadcast radio messages to employees that the would not be expected to report. Others worked for a few hours of the day with the skeleton forces of employees who were able to get to work.

## Code Protest Received

WASHINGTON, Feb. 28.—The Farmers Grain Dealers Association of North Dakota is the most recent body to file with the NRA a protest against the insurance code.

## Fake Auto Insurance Gang Broken Up; One Arrested

LANSING, MICH., Feb. 28.—As the result of an insurance department drive on fake automobile insurance agents, who were collecting premium deposits after taking applications for "full coverage" in companies that never existed, G. W. Shaw, an ex-convict who has served 17 of his 41 years in prison, is in custody and will be charged with obtaining money under false pretenses. His associates, particularly one D. R. Israel, proprietor of the Michigan State Automobile Association, a supposed motorists' service club, are believed to have left the state.

Premium deposits collected from over 1,000 residents of Wayne, St. Clair, Oakland, Macomb and Genesee counties, on policies that were never delivered, is estimated at more than \$10,000. The fake agents, who worked out of Detroit, were equipped with forms for the "Michigan State Insurance Company" and the "Michigan State Automobile Insurance Company," both fictitious organizations. Making capital of the new motorists' financial responsibility law, the swindlers were able to induce many residents of rural and village territory to purchase their "full coverage policies."

## Give Testimonial Dinner to Hewitt Upon Resignation

NEW YORK, Feb. 28.—A testimonial dinner to C. C. Hewitt, recently resigned as vice-president of the National of Hartford to associate with the Boston agency of Boit, Dalton, Church & Hamilton, was held here in the Waldorf-Astoria Tuesday night. Attending were a number of officials of the National, representatives of the New York department and several agents and brokers of this city. President F. D. Layton, of the National spoke appreciatively of the service rendered by Mr. Hewitt, and his associates' regrets at severance of the relationship. Like sentiments were expressed by other executives of the company. On behalf of field men Mr. Hewitt was presented a silver platter and those attending the dinner presented a dress watch and chain.

## Michigan Field Meeting

DETROIT, Feb. 28.—Plans for the annual splash of the Michigan Blue Goose, to be held in Saginaw March 13, were completed at a conference of officers. The initiation will take place at 3 p. m., followed by the annual meeting and election at 4 p. m. and the banquet later. The Michigan Fire Underwriters Association and Michigan Fire Prevention Association meetings will be held in the morning.

Most Loyal Gander F. W. Clark of the Atlas, will preside over the meeting and will give the intro-duck-tory remarks at the banquet. R. J. Curry, Saginaw attorney, will be honkmaster, presenting D. H. Nelson, who will speak on "The Local Agent;" Ray N. Menzies, state agent, Great American, on "Blue Goosedom."

## No Deputy Yet Named

MADISON, WIS., Feb. 28.—Commissioner Mortensen has not yet appointed a deputy commissioner to succeed J. E. Kennedy who has resigned to become executive secretary of the Wisconsin Mutual Insurance Alliance. Mr. Kennedy will have his office in Madison. He was guest of honor at a farewell party given by members of the insurance department Feb. 26.

Mrs. H. A. Rossmann, whose husband was president of Riggs, Rossmann & Hunter of Baltimore at the time of his death in March, 1932, has disposed of her interest in that agency and gone with the H. M. Warfield-Roloson Company.

## America Fore Announces Some Changes in Michigan

### BOWIE SHIFTED TO CHICAGO

Field Work Consolidated Following  
Transfer of L. S. Wallace, Jr., to  
the Southern Illinois Field

Following the transfer of Lloyd S. Wallace, Jr., of Jackson, Mich., special agent for the Maryland Fire and Niagara Fire in the southern section of Michigan except Wayne, Oakland and Macomb counties, to southern Illinois territory for the America Fore fleet, field representation for these two companies has been assigned to R. J. Price and H. J. Hunter, special agents for the other America Fore companies in the same territory operating under State Agent D. F. Goss.

W. E. Bowie, who has been special agent and engineer for the America Fore at the Detroit office, handling Wayne, Oakland and Macomb counties, has been transferred to Chicago where he will act as one of the engineers for a territory embracing 18 states. L. J. Gilmour will continue as special agent for the fleet in Detroit.

### Case Memorial Fund

NORWICH, CONN., Feb. 28.—A check for \$100 for the James L. Case Memorial Fund has been received here by the pastor of the Central Baptist Church, which has charge of the fund, from the stockholders of the Excelsior of Syracuse, N. Y., of which Mr. Case was a vice-president. Many contributions have been received from agents.

### Three W. U. A. Applications

W. O. McLelland, who was recently elected vice-president of the American National of Columbus, and John L. Mylod, secretary of the North British & Mercantile, who recently assumed jurisdiction over part of the western territory, have applied for membership in the Western Underwriters Association. C. G. Robertson, agency superintendent in the western department of the London & Lancashire, has applied for B membership in the W. U. A.

### Banks Opens New Agency

FORDYCE, ARK., Feb. 28.—A. B. Banks, former head of the Home group of insurance companies in Little Rock, who has been associated with J. A. Pattillo in the insurance business here since 1931, has announced the dissolution of the Banks, Pattillo & Co. agency and the organization of a new agency, which will operate under the name of Banks & Co.

Mr. Banks opened his first insurance office here 42 years ago. Now, at the age of 65, he is beginning anew in the same old town.

### Oklahoma Adjustment Setup

E. I. Hole, state manager of the Fire Companies Adjustment Bureau in the southwestern department, announces a new set-up in its operations in Oklahoma. Resident adjusters have been designated as follows: G. W. Jordan, Clinton, D. L. Martin, Durant, E. A. Thompson, Lawton, and R. P. Beggs, McAlester. Closing papers for all offices save Tulsa and Fort Smith, Ark., will be sent companies through the Oklahoma City office, where all statistical information will be available.

### North America's Canadian Appointment

J. W. Price has been appointed assistant manager in Canada for the North America group.

### Ballard in Nassau

Sumner Ballard, president of the International of New York, is vacationing on the island of Nassau.

## Late News from the Casualty Field

### Central Inspection Plan Is Started in Cook County, Ill.

After successful operation in the New York metropolitan area for several years the central inspection plan is to be extended to Cook county, Ill., the burglary department of the National Bureau of Casualty & Surety Underwriters announces.

In Chicago the plan provides for installation of secondary iron defense behind all doors and accessible windows, including show windows on more hazardous risks. The protecting of show windows with inside iron folding gates is expected to curb the "smash and run" type of burglaries, a serious menace to Chicago shopkeepers.

The National Bureau will certificate installations which meet its standards, and a substantial rate reduction will be allowed upon open mercantile stock covers.

### Virginia Increase Denied

RICHMOND, Feb. 28.—The petition of companies writing workmen's compensation in Virginia for an average increase of 5.8 percent in rates was denied this week by the corporation commission. The commission held that they were entitled to an increase of only .7 of 1 percent. The companies asked in their petition for an allowance of 2.5 percent contingent liability and a projected medical loss ratio of 26.99 percent. These were disallowed, the commission finding that they were entitled to a contingency factor not exceeding 2 percent and a projected medical loss ratio not exceeding 24.5 percent.

A proposal to abolish the schedule rating plan for workmen's compensation will be considered later. The Virginia Manufacturers Association requested that consideration be given this proposal, the carriers acquiescing in the request.

### Claim Manager Honored

H. W. Hovey, head of the liability claim department at the head office of the Massachusetts Bonding, who has been made a vice-president, was born at Waterford, Vt., Jan. 27, 1879. He graduated from Dartmouth in 1901 and then attended Boston University law school. He was admitted to the bar and practiced law in Vermont for eight years. He then went to New York and was resident vice-president of a company, handling its claims. He became associated with the Massachusetts Bonding April 1, 1914.

### Aetna Casualty Conference

Three head office officials of the Aetna Casualty were in Chicago this week conducting a conference with managers of branch offices from nine cities in the middle west and far west. From Chicago they journeyed to St. Louis where on Thursday and Friday they are conducting a similar conference with managers in the south and southwest. The home office delegation consisted of Vice-President C. B. Morcom, Assistant Vice-President R. I. Catlin and Secretary C. G. Hallowell. Those at the Chicago office were the manager and assistant manager of the Indianapolis branch, manager and assistant manager from Detroit; and the managers from San Francisco, Los Angeles, Denver, St. Paul, Minneapolis, and Milwaukee.

### Hartford Steam Boiler Changes

The Hartford Steam Boiler has announced the appointment of A. Paul Graham as manager at Boston and A. F. Graham, manager at Cleveland. Mr. Graham, who succeeds Manager W. I. Cornell at Boston, who died suddenly

Feb. 7 has for the past 12 years been manager at Cleveland. F. F. Rice, for 15 years a special agent in Boston, now becomes assistant manager.

Mr. Graham has been with the company since 1912, when he became an inspector in Cleveland. Nine years ago, he became a special agent there.

At Seattle, W. J. Smith, an inspector since 1909, has been appointed chief inspector, thereby a broadening of the scope of the department will be possible. Heretofore, Manager E. G. Watson has also been acting as chief inspector, and Mr. Smith has been acting as his assistant in regard to inspection matters.

### Oppose Receivership Suit

NEW YORK, Feb. 28.—The committee recently named for the reorganization of the \$45,000,000 of real estate

securities guaranteed by the National Surety Company will cooperate with the New York department in opposing the application for a receivership for the National Surety, Greyling Realty Corporation and National Realty Management Co., filed by a holder of guaranteed Mortgages.

### Joins Royal Indemnity

NEW YORK, Feb. 28.—G. R. Hays, Jr., for the past two years special agent in the service department of the Home of New York, March 1 joins the production staff of the Royal Indemnity, specializing in development of boiler and machinery business in the metropolitan area.

If you would know the value of money, go and try to borrow some.



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LEASEHOLD  
INLAND MARINE  
OCEAN MARINE

TOURIST FLOATER  
SALESMEN'S FLOATER  
YACHT AND MOTOR BOAT  
ALL RISK PERSONAL  
JEWELRY  
ALL RISK PERSONAL FURS  
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John F. Stafford, Manager

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Carl A. Henry, General Agent

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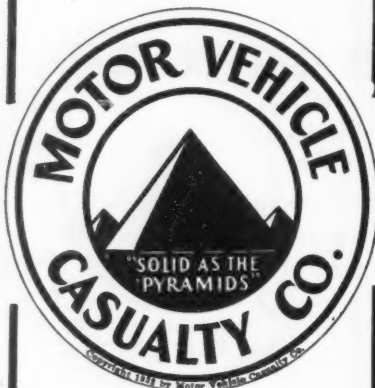
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as Motor Vehicle Underwriters  
Incorporated 1930

## N. J. Men to Fight Hostile Practices

(CONTINUED FROM PAGE 2)

tended "others have only resulted in misunderstandings and definite double-crossings." Despite the setbacks the committee felt that "progress is slowly being made through conference and co-operation" and such program will be continued. As one means of increasing the membership and of lessening the burden now placed upon various standing committees the executive committee favored the engagement of a full time general manager at such period when the financial status of the organization justifies.

President W. G. Hurtzig, in his address, was sharply critical of the attitude of the National Bureau of Casualty & Surety Underwriters in its treatment of automobile business in the state, asserting that the bureau has been "waiting for something to turn up." The trouble with such a negative attitude, he asserted, was that instead of the bureau company competitors folding up, they are licking their chops and continue to wax fat, while the agents are supposed to sit supinely by and see our business fairly melt away."

### Mortgagee Clause Question

Leon A. Watson, official rater of New Jersey, cautioned the agents against attaching the mortgagee clause to policies held by building and loan, banking or other financial institutions or individuals after foreclosure proceedings had been effected. He pointed out that a party could not be both mortgagee and mortgagor of a property at the same time and that the exact nature of the relationship should be clearly set forth. As a result of the great slump in real estate values, many mortgagees, forced to take over properties loaned upon, have yet desired to have the favored mortgagee clause continued on the policies, anticipating that in the event of loss under such conditions they would not endanger their ability to collect, which might be the case with any of the stipulations set forth in the standard form of contract written for owners.

During the business session the methods employed by the First Bancredit Corporation in premium financing, were explained by C. A. Gunderson, its vice-president.

Following the luncheon, G. W. Nixon, superintendent of agents Marine Office of America, pointed out the numerous avenues for additional business getting open to local agents under covers written through inland marine channels.

The various types of reporting forms and the conditions that brought about their issuance were explained by J. R. Dumont, manager Interstate Underwriters Board.

### Explains A, B, C's

Mr. Dumont explained the A, B, C's of the I. U. B. setup. The main advantages of the multiple location contract, he said, are automatic protection for new locations and provisions for fluctuation in values without the burden of endorsement or the necessity of the assured having to cancel and rewrite a large number of policies during the year. Since values, as reported monthly, are averaged at the end of each year, the assured is not penalized on a short rate basis, the effect really being a pro rata adjustment of the premium, both up and down.

Mr. Dumont pointed out that 100 percent insurance to value is required, either under an I. U. B. form or in conjunction with specific insurance. Other more specific insurance (in excess of the limit of liability in the I. U. B. contract) may be carried in other companies as desired. Multiple location coverage under I. U. B. form is always excess insurance over and above specific. Full reporting of values by the assured is required and the assured need

fear no penalty if he honestly reports his values once a month.

Any specific insurance in force need not necessarily be disturbed in order to take advantage of the multiple location coverage.

These forms are intended to provide coverage on merchandise, supplies, furniture and fixtures and the assured's interest in improvements and betterments to buildings in branch stores, retail stores, distribution points and warehouses, oil in tanks (other than mineral oil), stock in manufacturing plants of a strictly seasonal nature, such as fertilizer factories, cotton seed oil mills and canning factories. There are some other so-called borderline risks which have been approved for these coverages.

Then there is also a non-reporting co-insurance floater form which meets the requirements of the assured having multiple locations where there is little, if any, fluctuation in values.

To provide for concerns having less than five locations, the companies have provided reporting forms which are similar to the I. U. B. forms except that final adjustment of premium is based on specific rates rather than on an average rate. At least two locations, under single ownership, are required.

## Facts Are Given On Insurance Tax

(CONTINUED FROM PAGE 1)

states showed increases, 14 decreases and one state retained a fixed percentage. The U. S. Chamber has given a table showing the percentage spent for service to policyholders for each year since 1915 as follows:

Year	Percent	Year	Percent
1915.....	6.48	1924.....	3.71
1916.....	5.69	1925.....	3.65
1917.....	5.62	1926.....	3.94
1918.....	4.78	1927.....	4.16
1919.....	4.37	1928.....	4.29
1920.....	4.33	1929.....	4.25
1921.....	4.08	1930.....	4.45
1922.....	4.37	1931.....	4.61
1923.....	3.87	1932.....	4.79

These figures are based on data for all states and the District of Columbia, except Pennsylvania and Louisiana, prior to 1922, except Louisiana alone from 1923 to 1925 inclusive, and except Nevada since 1927.

### Comment on Tax Situation

In commenting on the tax situation, the insurance department says: "At present, with most states hard pressed for revenue, the prospect for material reduction in these taxes may not appear bright, even though policyholders are now paying indirectly about 20 times more than is required to provide for the supervision and regulation of the insurance companies in which they insure. The cause for resorting to such taxes bearing on insurance policyholders as a class is probably twofold: First, it is easy to impose and collect the tax; and second, this form of taxation is not generally understood and resented by those who pay. Particularly because of the special nature of insurance in encouraging thrift and protecting property and personal earning power, any proposal which would seek to make insurance bear more than a fair share of taxes should be promptly opposed; the general tax needs of a state should be provided with due regard to the principle expressed in the resolution passed by one body in 1927 as follows:

"Special state taxes now levied on policyholders through insurance companies should not be considered as a source of general revenue but should be reduced to the total in each state which will adequately support such state's departmental supervision, and a uniform principle of taxing the holders of insurance should be adopted throughout the states."

### Records of Some States

The states showing the highest percentages in service to policyholders are as follows: New Jersey, 15.87 percent; Texas, 12.8 percent; Arizona, 7.91 percent; New York, 7.85 percent; South



Dakota, 7.69 percent; Wyoming, 7.21 percent; Missouri, 6.81 percent; Nebraska, 6.93 percent.

The states spending the smallest percentage for policyholders' service are Georgia, 1.56 percent; North Carolina, 1.58 percent; Ohio, 1.34 percent; Tennessee, 1.64 percent; West Virginia, 1.78 percent.

## Solicit Definite NRA Expression

(CONTINUED FROM PAGE 1)

they have outlined and which they feel will cover all that is desired of the insurance industry.

### REAL ESTATE AND INSURANCE

LITTLE ROCK, Feb. 28.—The Little Rock Real Estate Board at its current meeting discussed the NRA real estate code. It was pointed out that the code allows real estate firms to maintain insurance departments. Insurance authorities were said to look with disfavor on combination insurance and real estate offices. Roy Donham, president of the Arkansas Association of Insurance Agents, made a talk in which he said that insurance agents do not object to such combinations.

## Royal-L. & L. & G. Conduct Conferences in Midwest

A battery of talent from the head office of the Royal-Liverpool & London & Globe groups is conducting a series of rallies throughout the middle west. Their schedule was interrupted somewhat when they arrived in Chicago six hours late for the first session, because their train was delayed as a result of the wreck at Delphos, O. Meetings were therefore conducted in Chicago Tuesday and Wednesday for Illinois and Wisconsin people. There will be meetings in Minneapolis, Thursday, Friday and Saturday covering Minnesota, North and South Dakota and Iowa. Then next Monday, Tuesday and Wednesday there will be sessions at Kansas City for Texas, Oklahoma, Missouri, Kansas and Nebraska. Similar meetings were held at Cleveland and Detroit two weeks ago. Casualty representatives are attending the sessions although none of the casualty home office people are on hand.

The head office delegation consists of E. W. Hotchkin, western manager Royal; M. H. Grannatt, western manager L. & L. & G.; Claude D. Minor, head of the special risk department; Walter Falk, brokerage manager; J. L. Erhardt, automobile superintendent; Julius Mayer, inland marine manager, and E. S. Greene, ocean marine manager.

A feature of the Chicago sessions was the presentation to Manager Hotchkin of a rear admiral's commission on the staff of Governor Laffoon of Kentucky. The presentation was made by Mr. Minor, who is a Kentuckian and vouched to the governor as to Mr. Hotchkin's seaworthiness.

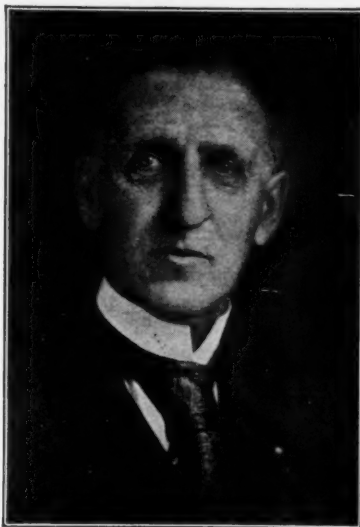
### Judge Warner's Candidacy

CINCINNATI, Feb. 28.—It was reported here today that Judge Charles T. Warner of Columbus, state superintendent of insurance, will be a candidate for the place on the state supreme court to be made vacant, provided Judge Florence Allen is named to the federal bench.

### Conducts Insurance Course

F. H. Hurley of the General Insurance Corporation, Bridgeport, Conn., is conducting an insurance course at the Bridgeport Evening School. Types of insurance to be studied include automobile, accident, burglary, compensation, fidelity, surety, fire, life, group life, plate glass, public liability, inland and ocean marine.

## Made Chairman



T. C. CHENEY

T. C. Cheney, Morrisville, Vt., long prominent in the National Association of Insurance Agents, has been elected chairman of the New England Advisory Board to succeed the late James L. Case.

## Steele and Cole Speak at Springfield Board Meeting

Speakers at a dinner meeting of the Springfield, Mass., Board included C. K. Steele of Gloucester, head of the Massachusetts Association of Insurance Agents, and E. J. Cole of Fall River, chairman of the executive committee of the National association. They explained the insurance code recently filed in Washington. President H. R. Preston was chairman.

### Name Charleston Firemen's Board

CHARLESTON, W. VA., Feb. 28.—Organization of the civil service board for city firemen has been completed with the appointment of E. T. Williams by the Charleston chamber of commerce. C. R. Morgan, local agent, and E. C. Shaffer are other members of the board. Mr. Morgan was selected by Mayor DeVan and Mr. Shaffer by the Central Trades Union.



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Will Wrightman  
(FIELD CORRESPONDENT)



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NEW ENGLAND COMPANIES

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Capital . . . \$3,000,000  
Surplus . . . 8,149,390

## ★ Old Colony Insurance Company

ESTABLISHED 1906

Capital . . . \$1,000,000  
Surplus . . . 4,142,891

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AUTOMOBILE  
MARINE

\*Annual Statements as filed with the Massachusetts Insurance Department. Showing net surplus as of December 31, 1933, based on actual market quotations.

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## Capturing Lines from Finance Companies

THE FIDELITY & GUARANTY FIRE, in urging agents to make an aggressive effort to capture, on the individual car basis, some of the automobile fire and theft business that is going to finance companies, we believe, has started a movement that should be taken up by other companies and by associations and that should prompt agents to act individually and collectively.

As a matter of fact, it is remarkable that such agitation was not started long ago. Agents and companies, apparently feeling that nothing could be done about it, have permitted the finance companies to tie up a vast amount of the most desirable automobile insurance, without protest. Except for a few agents, who control finance accounts, the ordinary agent has been forced or thinks he has been forced to permit good customers to place their insurance elsewhere during the financing period and then to return for individual insurance after the car has had a year or more of use and its insurable value has been greatly reduced.

What the FIDELITY & GUARANTY suggests is for the individual agent to induce his customers, when purchasing a new car, to demand of the automobile dealer that the insurance cost of the financing charge be eliminated and that the buyer be permitted to purchase his own insurance, with a loss payable clause running to the finance company. The agent should point out to the assured that if he cancels the insurance on his old car and permits the finance company to handle the insurance on the new car he will suffer the short rate penalty in connection with his old insurance.

If this movement is to have any effect, it must actually be put into practice by thousands of agents. It will be pretty much of a war of attrition. At first, probably the agent will be able, without much difficulty, to get the co-operation of only a few of his good friends, who would be willing to make the effort for personal reasons. However, if thousands of agents succeed in getting a few friends to pursue this

course, the movement will gain momentum.

There will be some practical obstacles. Few of the finance companies do itemize their finance charges, except in states which require itemization and the furnishing of an insurance certificate including a statement as to the premium charge. We believe, as a matter of fairness, they should be itemized. But when the charges are lumped, the person who demands the right to place his own insurance will find that the finance company usually will then only deduct three or four dollars from the financing cost. That will be an indication of unfair treatment, which the borrower has a right to protest and which he should be encouraged to protest to the utmost. He should demand the subtraction from the financing charge of the whole premium. If thousands of automobile buyers can be induced to put up a fight for that to which they are entitled, the finance companies will soon feel the effect.

When business is captured from finance companies in this way, the agent should inform his company of the circumstance, because at present the companies are suspicious when an individual, whose car is being financed, applies for his own insurance. The finance companies frequently instruct the purchaser, about whom they have some question, to get his own insurance. Some times this is done at the instance of the finance company and at other times the finance company is prompted by its insurer. Therefore, when a good risk is taken away from a finance company through the efforts of the agent, the insurance company should be apprised of the circumstances.

We believe that much ground can be gained if the agents and companies will devote some energy in this direction.

WHEN anyone establishes a real record for dependability he has a highly desirable asset. People like folks on whom they can rely and in whom they have confidence.

## PERSONAL SIDE OF BUSINESS

C. Grattan Price, head of the Burke & Price agency, Harrisonburg, Va., has been elected president of the Rockingham National Bank of Harrisonburg.

Through the grapevine route it now becomes known that the author of the poem, described as anonymous, which was dedicated to C. R. Street and which was read as an incident to the 50th anniversary dinner for Mr. Street in Chicago last week, was W. L. Lerch, manager of the Underwriters Grain Association. The poem was a parody of: "There was a man in our town and he was wondrous wise," and the rhyme was skillfully turned to the occasion. Mr. Lerch formerly served as second man to Manager Street of the Great American, before becoming connected with the Royal.

S. A. Swisher, 79, who was in the general insurance business in Iowa City, Ia., for 50 years, died at the home of his daughter in West Liberty Ia. He was president of the Iowa State Historical Society. He was the father of Stephen A. Swisher, Jr., assistant superintendent of agencies Equitable Life of Iowa, and J. C. Swisher, Des Moines agent.

W. A. Earls, well known local agent in Cincinnati, has been delayed in going to St. Petersburg, Fla., for a winter sojourn because of a fire that damaged his office considerably some days ago. He has had to have the entire office cleaned and redecorated. The fire took place toward midnight and the cause is unknown. It burned out some of the window sills, damaged a number of desks and burned some books and papers. However, Mr. Earls had all his valuable records in metal files and they were not harmed. Mrs. Earls is at St. Petersburg and her father, Thomas E. Gallagher of Chicago, went to St. Petersburg following the C. R. Street dinner in his city last week to join her. Mr. Earls expects to get away in a week's time.

W. A. Rutledge has been secretary-manager of the Farmers Mutual Hail of Des Moines 41 years. Eight Rutledge brothers have participated in the development of the company. Perry Rutledge, Storm Lake, Ia., is president; E. B. Rutledge, Fort Dodge, treasurer. Among the directors are R. T. Rutledge, Storm Lake; John of Early, Max of Yankton, S. D. and Carl P. of Des Moines.

Frederic Williams of Denver, secretary of the Rocky Mountain Fire Underwriters Association, is recovering in a hospital there following a serious operation.

Fred H. Sabin, Jr., of Minneapolis, special agent of the National Union Fire, is the father of Fred H. III, weight seven pounds. Fred H. Sabin, Jr., is the son of the late Fred H. Sabin, who until his recent death was an official at the United States office of the North British & Mercantile. He is the grandson of the late H. C. Eddy, for many years western manager of the Commercial Union.

Dee A. Stoker of Chicago, reinsurance and excess insurance man, spends the winters at St. Petersburg, Fla., and is one of the great shuffle board players in that city. The shuffle board courts there are the largest in the world. The membership at St. Petersburg is 3,464. Mr. Stoker celebrated Washington's birthday in fine style. On the day before, with six friends, he went out on a gasoline launch for deep sea fishing on the Gulf of Mexico, catching

125 pounds of red and black groupers. The next evening Mr. Stoker and 17 friends had a fried fish dinner at the Royal Palm hotel. The 18 people are all Chicago north shore folk, Mr. Stoker residing in Winnetka.

D. J. McAuliffe, who recently became president of Ogden & Fay, agents at 85 John street, New York City, is well known in St. Louis, where he was born and reared. For a number of years he was managing editor of the St. Louis "Republic," a morning newspaper that was merged with the St. Louis "Globe-Democrat" in 1918. Later he was in the general contracting business and also identified himself with the publishing and oil industries in New York. The Ogden & Fay agency has been in business for about 50 years. His brother, Joseph McAuliffe, is managing editor of the St. Louis "Globe-Democrat," the largest daily west of the Mississippi river.

Mrs. Louise H. Spencer, wife of E. Wright Spencer, manager Virginia Rating Bureau, died following a protracted illness.

Louis Mel, 94-year-old retired special agent of the Aetna Fire paid a visit to his old-time comrades in the business in San Francisco Feb. 23, after many years' absence. Mr. Mel is believed to be the oldest living member of the fraternity in the far west. He retired many years ago and since then has been living in Berkeley, Calif.

G. E. Beardsley, vice-president of the Aetna Fire, accompanied by Mrs. Beardsley, is en route to San Francisco via the Panama Canal. It is his first trip to the west coast.

W. A. McConnell, United States manager of the Century of Scotland, accompanied by Mrs. McConnell, left New York Feb. 27 on a six weeks' trip among agents on the Pacific coast and in a number of the southern states. While he has been on the west coast several times in recent years, this will be Mr. McConnell's first extended visit to the south, which territory the Century entered some months ago.

David J. Main of the Denver general agency of Standart & Main is in the east, visiting the head office of the National Life of Vermont at Montpelier, for which his office is general agent. He will also call on some of the executives in Hartford. On his way east he stopped in Chicago and visited insurance friends there.

The indisposition suffered by William Quaid, vice-president of the Southern Fire of the Home of New York group, following his address during Pittsburgh Insurance Day last week, proved temporary and he was back at his desk in New York the next day.

J. Ross Moore, manager of the National Automobile Underwriters Association, left New York City for California Feb. 27. While in San Francisco he will confer with members of the Pacific Coast branch advisory committee of the organization. En route home he will meet the western advisory committee in Chicago.

Mrs. Robert Newhouse, whose husband is a member of the firm of the marine office of Newhouse & Sayre, New York, suffered a skull fracture when she fell, during a storm, just after she and Mr. Newhouse had stepped out of the apartment building where they had dinner with Vice-President Harold V. Smith of the Home.

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# STRENGTH SERVICE CHARACTER

(STATEMENTS AS OF DECEMBER 31, 1933)

	Gross Assets*	Reserve for Unearned Premiums	Reserve for Losses and All Other Claims	CONTINGENCY RESERVE†	Cash Capital	SURPLUS FOR POLICYHOLDERS
Continental.....	\$70,633,525	\$20,619,095	\$6,532,410	\$6,272,677	\$4,873,990	\$37,209,343
Fidelity-Phenix.....	55,531,070	16,491,942	5,474,048	5,871,467	3,464,825	27,693,613
Niagara.....	19,344,044	5,449,146	1,458,435	1,071,473	2,000,000	11,364,990
American Eagle.....	11,471,933	3,433,816	988,247	235,019	1,000,000	6,814,851
First American.....	3,641,951	841,310	193,276	170,322	1,000,000	2,437,043
Maryland.....	2,408,522	335,231	84,152	199,031	1,000,000	1,790,108
Fidelity & Casualty.....	33,798,363	10,500,392	16,142,752	2,902,615	2,250,000	4,252,604

\* Bond and Stock valuations on basis approved by National Convention of Insurance Commissioners.

† Contingency Reserve, representing difference between value carried in assets and actual December 31, 1933 market quotations on all bonds and stocks owned.

Again, America Fore statements show the strength and stability of The America Fore Group. They also reflect careful management and intelligent underwriting - which justifies the confidence shown in The America Fore Companies by the agents and brokers who have favored us with their business.

Chairman of the Boards.

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Cincinnati Issue Is Sizzling

**Question of the Fine Arts Floater Put Up to Ohio Agents Association**

COLUMBUS, O., Feb. 28.—The policy on the Cincinnati Institute of Fine Arts underwritten by Johnson & Higgins, covering the Taft collection, is now receiving much attention from local agents in the state and the matter has been placed before the Ohio Association of Insurance Agents. The Cleveland Board made a protest. It seems that the Ohio Inspection Bureau made a rate of 20 cents a year on this collection. That would make a 50 cent rate for three years.

Johnson & Higgins wrote the policy under a fine arts floater and gave a more comprehensive coverage at a lower rate. The question now arises as to whether under the ethics of the business the Ohio Inspection Bureau rate prevails and whether that could be superseded by the fine arts floater rate. The Earls-Blain agency of Cincinnati made a bid on the business following the Ohio Inspection Bureau rate but giving a deductible form of coverage which brought down the rate to some extent.

The claim is made that Johnson & Higgins cornered the reinsurance market so that the other agents when attempting to bid on it found themselves up against a stone wall. A number of local agents in the state representing companies granting reinsurance to Johnson & Higgins have made a protest to their general offices.

Johnson & Higgins issued a binder for \$5,500,000 and the question is now whether the agency pressure will be so strong as to cause some of the companies to retire from the Johnson & Higgins arrangement. Much depends on the reinsurance on these big policies in placing the line. The brokerage or agency firms that can have reinsurance all arranged and the coverage prepared have a big advantage. The subject has been brought before the Ohio insurance department but whether there has been any violation of the law remains to be seen. The general impression is that there has not been any violation.

The assumption is that the Taft museum line carries a deductible, of perhaps \$50,000, applicable to each and every loss. Practically all of the bids that were submitted were on some sort of a deductible basis and therefore it is assumed that the Johnson & Higgins proposition was based on a deductible. The contract placed through Johnson & Higgins is a five-year policy. The rate of 20 cents for the fire insurance, as promulgated by the Ohio Inspection Bureau, contemplated use of the 80 percent coinsurance clause. The assumption is that the Johnson & Higgins rate for all risk coverage was considerably less than the fire insurance rate, specified by the inspection bureau.

### Cold Wave Losses

Losses throughout the middle west picked up considerably during the cold spell, which has prevailed generally for the past ten days. There have been few large or spectacular fires, most of them being small, due to defective chimneys and flues and to overextending the heating plants.

There were several large fires in Chicago, but the insurance carried was very nominal. This was true in the loss to the Bollard & Frazier restaurant and building on West Lake street and the Midnight Frolics Cafe on 22nd street.

### Two Are Indicted for Fraud

**Companies Greatly Interested in Developments in Meinert Loss at Toledo, O.**

TOLEDO, O., Feb. 28.—One of the most important cases that have developed for a long time in connection with the alleged fraudulent collection of fire insurance has just been uncovered here. Indictments have been secured against F. E. Meinert, president of the Meinert Company, confectionery and bakery chain, and W. M. Todd, former manager of the Toledo branch of the Western Adjustment and for the last six years an independent adjuster. Both men are charged with obtaining money under false pretenses, as a result of a fire in the Meinert plant in 1932. The actual loss in the fire, it is alleged, was between \$8,000 and \$10,000, but, according to an indictment returned against the two men, the sum of \$34,674 was paid to Meinert by the Home of New York and the Automobile of Connecticut. The case against Meinert and Todd was developed by J. B. Shelhorse, special agent National Board, who has been working on the case since September, 1932.

Proofs of the fire loss were prepared by Todd, who was the only adjuster on the case and his report was accepted by the companies. An inventory prepared by certified public accountants put the loss at \$8,000, the insurance covering only the personal property of the Meinert Company, including stock, fixtures, machinery, etc. Loss on the building was covered by a policy carried by the Meinert estate and is not involved in the present action. Meinert and Shelhorse testified before the grand jury investigating the case. The two companies have sued for the return of the \$34,674 paid by them.

### Fitzgerald Heads Committee

INDIANAPOLIS, Feb. 28.—The insurance committee of the Indianapolis Chamber of Commerce is headed by J. J. Fitzgerald, secretary, Grain Dealers National Mutual Fire. E. H. Forry, Union Trust, is vice-chairman. At first meeting Mr. Fitzgerald outlined some of the projects he believed the committee should undertake, particularly relating to anticipated socialistic schemes which will undoubtedly be proposed for passage in the next session of the Indiana legislature in January, 1935. A survey of the insurance business in Indianapolis was proposed.

### Cleveland Board Banquet

CLEVELAND, Feb. 28.—The annual banquet of the Insurance Board of Cleveland will be revived this year after a three-year lapse. It will be held late in April. The banquet committee, headed by E. S. Davis, is busy working on the program.

### Push Bridges for Commissioner

Friends over the state have been trying to persuade Mark Bridges of Norton, Kan., to become a candidate for the Republican nomination for insurance commissioner. Mr. Bridges has operated a local agency at Norton in the west part of the state, for 18 years. He has served two years as a member of the executive committee of the Kansas Association of Insurance Agents.

It is reported that his friends have created considerable interest for him in the three large counties of the state, Sedgwick, Shawnee and Wyandotte.

He would naturally have support from rural and small town insurance men. He is well known and held in high esteem by both the local agents and field men of the state.

### Discontinues McCook Office

The John D. Garmire independent adjusting office has temporarily discontinued its branch at McCook, Neb., formerly under the direction of Ray W. Harr. Business in that territory will be handled through the Garmire Omaha, North Platte and Scottsbluffs offices. Mr. Harr is no longer associated with the Garmire organization.

### May Start Life Company

COLUMBUS, O., Feb. 28.—According to reports, the Ohio Farm Bureau Federation, which recently launched a fire company, is thinking seriously of engaging also in the life insurance business. It is said that the farm bureau would consider taking over some life company that is not involved.

### Farm Schedule in New States

The new farm schedule has now become effective in Minnesota and North and South Dakota. The changes include authorization of the new instalment plan and the mandatory inclusion of hail with windstorm coverage.

### Michigan Loss Ratio Lower

LANSING, MICH., Feb. 28.—A much reduced fire loss ratio for 1933 is indicated by reports so far filed with the Michigan department. Most of the big companies' reports are in. H. B. Corell, deputy commissioner, estimates the probable loss ratio at 45 percent or possibly less, as compared with 54.12 percent in 1932.

### Lansing Realtors for Agents' Code

LANSING, MICH., Feb. 28.—A resolution endorsing the NRA code filed by the National Association of Insurance Agents was adopted by the Lansing Real Estate Board, some of whose members have affiliated insurance branches.

E. G. Hacker, a member of the executive committee of the National Association of Real Estate Boards, and a former president of the state association, is one of the Lansing realtors supporting the code. The insurance branch of his organization is managed by Emil Lambertson, a former president of the Lansing Association of Insurance Agents.

### Asks Newspapers' Cooperation

PIERRE, S. D., Feb. 28.—Tom Scanlan, deputy insurance commissioner, has sent out a circular letter to South Dakota newspapers requesting their cooperation in regard to publication of advertising for the "mail order" insurance companies which are securing business in this state. While stating in the letter that the insurance department has no control over newspaper advertising he said many subscribers responding to the advertising are having trouble to secure payment of losses.

### Ohio Mutuals Meet

COLUMBUS, O., Feb. 28.—The Ohio Federation of Mutual Insurance Associations at its annual meeting here went on record as favoring an increase in the surplus limit. The following officers were elected: O. B. Ransom, Sandusky, president; C. V. Campbell, Newark, vice-president; A. F. Little, Covington, secretary-treasurer. Members of the executive and legislative committee are G. W. Miller, Bucyrus; C. B. Teegardin, Duvall, and D. F. Donaldson, Greenwich.

The Ohio Mutual Tornado, Cyclone & Windstorm Association named Gus

## Again Head



CHAUNCEY O. RANSOM

C. O. Ransom, who has been president of the Cleveland Insurance Board, has been reelected. He is national councillor from Ohio in the National Association of Insurance Agents. Mr. Ransom was born of a newspaper family. His grandfather, the late Chauncey O. Ransom, founded the "Standard" of Boston. His father, Robert W. Ransom who was a daily newspaper man later became editorial head of the "Standard." The Cleveland Chauncey also was a reporter on the "Standard." He has been in the local business in Cleveland for a number of years.

Seiberling, Barberton, president; C. B. Teegardin, Duvall, vice-president; H. A. Waggoner, Lindsey, treasurer, and G. W. Miller, Bucyrus, vice-president. Among those who spoke at the meetings were Governor White, Superintendent C. T. Warner, Attorney-general J. W. Bricker and H. P. Cooper, Indianapolis, national secretary.

### Middle Western Notes

N. S. Shapiro has been appointed a member of the Detroit board of fire commissioners to fill a vacancy.

D. A. Johnson, who had conducted an adjusting bureau in Omaha for 24 years, died there, aged 64. He had previously been in the same business in Chicago.

## Southern States Local News

### Is Believer in Conferences

**Manager Saint of North Carolina Association of Insurance Agents Is Stimulating Harmony**

J. D. Saint of Raleigh, N. C., manager of the North Carolina Association of Insurance Agents, believes in the conference system and has had conference committees appointed from the agents and field men's organizations. He believes that local conference will solve amicably about every situation that may arise. Conditions in North Carolina, said Mr. Saint, are as satisfactory as the times will permit. He declares that the state has fewer problems than ever before and the relations between agents on one side and field men and companies on the other are harmonious. He

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requests that all the local boards insert the following amendment to their by-laws:

"The president, secretary and one other member appointed by the president at the inception of each administration shall serve as a contact committee to be available at all times to the company representatives to discuss and adjust all matters of common interest. It shall be the duty of this committee to cooperate in matters of agency management and underwriting practices to the end that conditions in this city may be kept sound, solvent and profitable to the community."

### Rates on Public Risks Vary

Vagary of Louisiana Law, However, Subjects Private Lines to Bureau Promulgations

NEW ORLEANS, Feb. 28.—Under a peculiar twist of the Louisiana law, while private corporations and individuals in securing fire insurance are subject to rates promulgated by the Louisiana Rating & Fire Prevention Bureau, state and municipally owned risks are free from any such requirement, indemnity thereon being sought via the "auction block." As indicating the rates submitted under the latter practice, the subjoined list of tenders in connection with the proposed placing here by the sewerage and water board of \$253,200 fire insurance on building and contents located in storage yard No. 1 is interesting:

	Prem. 1 Yr.	3 Yrs.
Hartwig Moss Insurance Agency	\$1,195.10	\$2,987.76
Mutual Fire & Casualty Agency	1,299.67	3,197.91
Calhoun Barns, Inc.	1,468.56	3,671.40
Gillis, Winkler Agency	1,772.40	4,431.00
Black, Rogers & Co.	1,772.40	4,431.00
S. H. King Agency	1,878.74	4,696.86
Norton, Bernard & Nungesser	1,882.80	4,709.52

The figures of the last two agencies were bureau rates. The eagerness of some offices to get business is further evidenced by their writing a \$500,000 line on the Charity Hospital of this city a few days ago, at approximately half the promulgated rate.

### Two Regional Meetings Are Staged by Agents in Texas

A regional meeting of the Texas Association of Insurance Agents was held at Houston, with 135 in attendance, to discuss the proposed checking office at Austin, the general basis schedule, revision of tornado rates and uniform automobile policies. State officers at the meeting were J. K. Boyce of Amarillo, president; John Chiles of Austin, vice-president, and D. G. Foreman of Fort Worth, secretary. The three state insurance commissioners also attended. Regional Vice-President E. L. Vaughan of Port Arthur presided.

The keynote of the meeting was the need for a substitute code or an amendment to the insurance code and the need for ethical practices. Speakers were Commissioners Daniel and Mauk, President Boyce and A. D. Langham, past president Texas association. The delegates and guests were the guests of Cravens, Dargan & Co. at a luncheon.

The regional meeting for the 10th district was held at Luling. More than 50 local agents were present from San Antonio and other towns in the district. Regional Vice-President J. D. Seiders of Taylor was in the chair. Fire Commissioner Mauk, President Boyce and Secretary Foreman were present.

The checking office, the NRA code, local board activities, association membership, legislative matters and interchange of information between local boards were discussed.

### Place Birmingham City Line

BIRMINGHAM, ALA., Feb. 28.—Fire insurance of \$7,729,000 on city property has been placed with the 158

stock companies doing business in Birmingham. The coverage runs for three years and is for only 10 percent less than the amount written in 1931.

A committee from the Birmingham Association of Insurance Agents headed by Charles L. Gandy handled the business, which was divided into three schedules, one on schools, one on libraries and a general schedule covering all other properties. The average rate on each schedule was somewhat lower than three years ago.

### Houston Exchange Elects

HOUSTON, TEX., Feb. 28.—L. A. Stevenson was elected president of the Houston Insurance Exchange at a meeting of the directors. He succeeds L. B. Baker. Ben. A. Calhoun was named vice-president; T. K. Dixon, Jr., treasurer; C. A. Pickett, secretary, and Chattie Slayton, assistant secretary.

Directors include L. B. Baker, T. G. Barrow, Z. P. Eagleston, A. D. Langham, J. F. Scott, Mrs. J. G. Worrall and the officers.

### Florida Directors Take Stand

Decision has been reached by the directors of the Florida Local Underwriters Association not to take a position in connection with current efforts to eliminate use of the comprehensive personal property floater in Florida. The question of railroad ticket agents selling personal effects and baggage insurance was referred to Commissioner Knott for a ruling.

### Brooks at Little Rock

LITTLE ROCK, ARK., Feb. 28.—C. H. Brooks, Dallas fire insurance engineer, addressed the Little Rock Kiwanis Club on "Fire Insurance Rates." He pointed out that although Arkansas has the second highest rates of any state in the United States, fire insurance rates have decreased from 15 to 20 percent in the past two decades. These reductions were attributed to improvement in construction; better fire protection; cooperation of municipal authorities in reducing arson and education of the public in the matter of fire protection.

### Editors Want Senff Retained

LOUISVILLE, Feb. 28.—The Kentucky Press Association at its annual meeting here adopted resolutions calling on Governor Laffoon to continue Commissioner G. B. Senff in office. Mr. Senff was an editor at Mt. Sterling, Ky., before becoming insurance commissioner. Under the new law giving the governor the right to name all insurance department heads, it has been predicted that he plans cleaning house after he takes over control.

### Agency Changes in Augusta

AUGUSTA, GA., Feb. 28.—H. G. Barrett, whose father operated an agency here for many years, has resigned as insurance manager for League, Duvall & Powell to enter the business for himself. J. C. Chesser of the Chesser & Dales agency has consolidated that business with League, Duvall & Powell and will be their new insurance manager.

### Firemen's Tax Through House

The Virginia house has passed the bill authorizing a tax of 1 percent on gross premiums of fire companies in cities and incorporated towns for firemen's relief. A companion bill requires the companies to report gross premiums collected on property in those communities to the insurance department.

### Probe Finance Company Writings

AUGUSTA, GA., Feb. 28.—At the regular meeting of the Augusta Board it developed that some of the automobile finance companies operating here have insurance connections and are writing business without paying agents' commissions or city business licenses. A

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Special attention to the Law of Fire Insurance

committee was appointed to investigate the matter, especially with a view of making the companies pay their regular taxes and licenses.

A letter from the Southeastern Underwriters Association was read, which stated that the board's request to clear mixed agencies in Augusta would receive attention of the executive committee meeting in May. The Augusta agents say they want action now and a special meeting has been called to push the subject farther.

## Southern Notes

The fire insurance rating for Fort Worth, Tex., begun last September, has been completed.

The Florida state fire insurance fund collected gross premiums of \$8,379 in 1933 and paid \$4,104 in fire losses.

The Day Insurance Agency, Elizabethtown, Ky., has been incorporated by R. E. Day, E. L. Hagan and H. L. James.

R. E. Allen, Jr., former acting mayor of Augusta, Ga., and a member of the John B. Murray & Co. agency, has gone into business for himself.

M. H. Kennady, Harrison-Kennady Company, has been appointed chairman of the insurance committee of the Fort Worth Chamber of Commerce. Chairmen of the special groups are: W. E. Bideker, fire and accident; A. B. Vera of Vera-Reynolds Company, fire and casualty, and S. H. Weatherford, State Reserve Life, life.

## News of Pacific Coast States

### Oregon Local Agents' Rally

Annual Meeting of the State Association Will Be Held in Portland in May

The annual meeting of the Oregon Insurance Agents Union will be held at Portland, May 18-19. Paul O. Landry of Klamath Falls is president, C. L. Sigman of Eugene, secretary, and J. K. Pratt of Eugene, national councillor. The executive committee at its recent meeting at Eugene favored the adoption of the code as filed by the National Association of Insurance Agents. The committee took up a number of subjects, among them the possibility of the state entering the insurance business through legislative enactment. The committee has gotten busy, calling attention upon the members to this danger and urging them to get in touch with their legislators. There was considerable discussion over bonds covering property and employees of the Oregon liquor commission. The executive committee contends that resident local agents should receive the commission on all business for liquor stores operated in their midst.

### Would Force Code Approval

California Issue in Court—Agents and Brokers in Lively Controversy Over Inclusion of Former

SAN FRANCISCO, Feb. 28.—T. A. Reardon, director of industrial relations, has been cited by the supreme court to appear April 3 and explain why he has not signed the code of fair competition submitted by the California Association of Insurance Agents. The code was approved by the commissioner of corporations, who held hearings when it was first presented. The signature of the director of industrial relations must be obtained before it becomes effective under the state recovery act.

The San Francisco Brokers Exchange has protested against being brought within the provisions of the code. In his letter of protest F. M. Hohwiesner, president of the exchange, said: "We have had no voice in the preparation of this code nor knowledge of its wording. We feel that we have no authority to

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PREMIUM RESERVE .....	1,232,814.86
OTHER LIABILITIES .....	290,610.62
CONTINGENCY RESERVE .....	764,275.92
NET SURPLUS .....	2,318,470.98
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### "Bulletin" Answers Brokers

Commenting upon objections registered by the brokers, the "California Agency Bulletin" says: "The statement made by the president of the Insurance Brokers Exchange that only brokers represent the insurance buying public, and the implication made that agents are employees of companies and are trying to put over a code which will prejudice the interests of the insurance buyers, is not in accord with the facts or the record."

"Insurance agents are engaged in a distinct occupation. The courts have held that they are vested with certain property rights, their expirations, their office equipment and supplies, the good will of their agencies—all of which are their property. They are not under the direction of any employer."

"Before they can operate as insurance agents they are licensed by the several states. They go forth to the insuring public seeking to secure and care for certain insurable interests. They propose to give definite and distinct service in exchange for this trust."

"The agents' associations, both state and national, are constantly seeking to protect the interests of the insuring public. In fact, the larger amount of time of these organizations is devoted exclusively to this particular purpose."

"If the brokers' organization is really interested in doing a constructive piece of work which will benefit the insurance buying public, the brokers' first concern as is stated by the president of their body, then they should be allied upon the side of other producers of insurance who are trying so earnestly to bring the insurance business out of the intolerable chaos with which it is beset at the present time."

### Cooperate on Public Business

OGDEN, UTAH, Feb. 28.—The Ogden local board is engaged in some real cooperative work. Last October the association passed a resolution calling upon each member to pledge his agency, by written agreement, to share with the entire membership on a pro rata basis the earnings from all public business written within Weber county, and the response was 100 percent.

Since then the county business has been increased 20 percent. Most of the bonds written for the recently elected Ogden city officials went through the association.

### Mutuals Lose Avocado Line

LOS ANGELES, Feb. 28.—It is reported here that the leading organization of avocado growers in southern California, representing 75 percent of those engaged in this industry in the state, has arranged for fire insurance in board stock companies to replace coverage formerly carried in mutuals. The line will be divided between the Continental and the Fireman's Fund, under the new arrangement.

### HOLC California Lineup

F. W. Luttrell, former local agent at Santa Rosa, who has been active in the California Association of Insurance Agents, serving as regional vice-president for several years, is in charge of the Sacramento office of the Home Owners Loan Corporation. In line with the ruling of the general manager of the HOLC in Washington, local agents in California are receiving prompt cooperation on complaints in cases where em-

ployes of certain title companies had attempted to write the insurance on properties on which loans are being made. These employes have been directed to cease writing any insurance for borrowers from the HOLC.

### Credit Association Elects

LOS ANGELES, Feb. 28.—Hugo Methmann, Fireman's Fund Indemnity, was elected president of the Insurance Credit Clearing Association of Los Angeles at the annual meeting. D. R. Sessions, American Automobile, is vice-president; Robert Armstrong, Swett & Crawford, secretary, and H. E. Charlton, treasurer. On the executive committee are F. G. Fairbank, Ray Mitchell, Paul Enme, G. F. Houghton, E. F. Holmes and Ray Rosendahl.

The annual report of Manager F. E. Crosby showed that flat cancellations in 1933 registered a substantial decrease, totaling 16,555, of which 35 percent were for underwriting reasons, the remainder being for nonpayment of premiums. Earned premiums of \$8,920 were collected.

### Portland Agents Discuss Code

PORTLAND, ORE., Feb. 28.—Members of the Portland Insurance Exchange held their first discussion on their code, and made plans for their state convention in May.

Some 70 members were in attendance. J. E. Dunne, Commissioner A. H. Averill, John C. Sturm, president of the Portland Chapter; Fred Burgard, president of the Portland Insurance Exchange, and Harvey Wells, well known general agent, were the speakers.

### Buckman Board Speaker

C. T. Buckman, president California Association of Insurance Agents, addressed a meeting of local agents at Bakersfield, Cal., Monday noon. He will address the East Bay Association at a dinner meeting in Oakland March



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2. Following that meeting he leaves for Louisville to attend the mid-year meeting of the National association. Others who will attend that meeting are W. H. Menn and Eugene Battles of Los Angeles and H. J. Thielen of Sacramento, all past presidents of the California association.

### Nicoll Talks to Women

SAN FRANCISCO, Feb. 28.—W. C. Nicoll, independent adjuster here, explained the application of the fire insurance contract to the newly organized Insurance Women's League. This was the first of a scheduled series of educational talks. In a plea for cooperation of company managers for membership Miss Gene Theraul, president, calls attention to the fact that the male workers are encouraged to improve their own knowledge and the women should be encouraged along the same lines.

### May Tax Denver Agents

DENVER, Feb. 28.—Insurance agents are embraced in the proposed occupational ordinance which is being prepared for introduction in the city council. It is proposed to tax local agencies \$25 per year. At a meeting of the executive committee of the Denver Association of

Insurance Agents a special committee was directed to confer with the city attorney and urge him to make the measure a fair one, applicable to the agent without an office as well as established agencies.

### R. S. Danforth on Coast

Ralph S. Danforth, assistant secretary of the Millers National, is on an agency trip to the Pacific Coast. He will be gone about three weeks.

### General Gets Vancouver Line

VANCOUVER, B. C.—City council has decided to place a blanket fire policy of \$2,225,000 on civic property with the General of Seattle, with a premium of \$15,575 for three years. The remaining amount will be placed with not more than five Canadian or British companies at a similar rate.

### Utah Offers Slogan Prize

The Utah Association of Insurance Agents is offering a cash prize to its membership for an association slogan.

G. E. Townsend, assistant vice-president Fireman's Fund, has been appointed to the Arizona advisory committee, succeeding G. E. Devine, who recently retired.

## EASTERN STATES ACTIVITIES

### Pittsburgh Revises Methods

Mayor Appoints W. B. Foster, Travelers Agent, to Place All Insurance—Survey Needs

PITTSBURGH, Feb. 28.—One of the results of a survey made by a voluntary committee of insurance experts named by Mayor McNair to ascertain how approximately \$2,000,000 insurance the city of Pittsburgh carries on its buildings can be scheduled most advantageously was the appointment of W. B. Foster, city assessor and an agent for the Travelers, as a virtual dictator in the placing of all official municipal insurance. Formerly the task of placing this voluminous business was a prerogative of the controller, but an ordinance passed several years ago placed the decision in the hands of the mayor. One of Mr. Foster's first acts after receiving the appointment was to place a temporary policy of \$50,000 to cover liability for personal injuries on city works administration projects.

Members of the committee, which made the survey include W. K. McKnight, McKnight-Miller Co.; D. L. Lawrence, Harris-Lawrence Insurance Company; H. E. McKelvey, Edward A. George Company; J. Sherman Campbell, Keystone Adjustment Corporation, and F. S. Kaufmann, Travelers. After a preliminary survey, Mr. Campbell, who heads the committee, said a number of drastic changes were being recommended in the methods of handling some of the insurance.

"It is unfortunate but true," said Mr. Campbell, "that the insurance for the city has not been handled intelligently in the past. Our aim is to do for the municipality what any large corporation does for itself."

He added that the committee probably would recommend that certain city-owned properties of little replacement value be not insured, including many properties which have been taken over for taxes. On the other hand, other properties, such as the municipal hospital, which would have to be rebuilt in case of fire, should have full protection for the city, according to the committee.

Watervliet, N. Y., had a critical water shortage last week when the wooden pipe line from the reservoir broke. A grant of \$215,000 has been obtained from the Public Works Administration to put in a cast iron pipe line.

### New England Meeting in July

Pay Tribute to James L. Case at Special Meeting of Advisory Board

BOSTON, Feb. 28.—The next annual summer convention of the New England Association of Insurance Agents will be held at Bretton Woods in the White Mountains, July 10-12. The usual get-together dinner will be held on the first evening and business sessions in the mornings. A golf tournament will be held in the afternoon on July 11, followed by dinner and entertainment.

These preliminary arrangements were made at a meeting of the New England Advisory Board in Boston, which was a memorial meeting for the late James L. Case, who was elected chairman of the New England Advisory Board last November but did not live to attend the first meeting after his election in January.

The presidents and secretaries of the New England state associations, who make up the board, with W. C. Hill, correspondent of THE NATIONAL UNDERWRITER, took part in the service. Personal testimony was given to the affection and high regard held for Mr. Case and a number of messages from high insurance officials and executives were read, all expressive of the great sorrow and loss experienced in the passing of the former president of the National Association of Insurance Agents and the close personal friend of all those present. E. J. Cole, Fall River, executive committee chairman of the National association, and C. W. Varney, Rochester, N. H., framed a memorial which was read and adopted by the board. T. C. Cheney, Morris-town, Vt., was elected chairman of the board to fill out the unexpired term of Mr. Case.

### Ruling Made on New Jersey Standard Mortgage Clause

NEWARK, Feb. 28.—The Schedule Rating Office of New Jersey has issued the following notice regarding the New Jersey standard mortgage clause, which has been sent to company executives:

"We wish to call your attention to a recent practice adopted by certain building and loan associations, title and mortgage companies and other mort-

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gage interests, when by foreclosure or otherwise, they have become the owners of properties upon which they were formerly mortgagees.

"They now insure the property in their name as owner and also have attached to the policy a mortgagee clause making loss, if any, payable to themselves as mortgagee.

#### Avoid Controversy

"Of course an insured cannot occupy the dual position of owner and mortgagee of a property and the insurance company would seem justified in considering the mortgagee clause invalid and of no effect in the event of loss. Serious controversy might develop however in event of loss if the companies denied liability because of a violation of the policy contract as the clause may have been attached with the thought that it would continue to give the mortgage company the same preferred position under the contract as when they were the mortgagee and not the owner.

"We call your attention to the matter as you may wish to avoid the possibility of controversy by declining to accept the mortgagee clause on a policy naming the insured (owner) as the mortgagee."

#### Maryland Companies Must Keep Securities in State

BALTIMORE, Feb. 28.—Maryland insurance companies must keep their securities within the state, according to the opinion of W. H. Henderson, assistant attorney-general, in upholding a similar ruling by Commissioner W. C. Walsh. The original ruling was objected to on the ground that if securities are sold on the New York stock exchange, they must be delivered by noon on the following day, which would be impossible if they were kept in Baltimore. However, Mr. Henderson said that stock exchange rules have been changed to permit a two day delivery on all securities except those of the United States government. "Even if delivery were required on the following day," said Mr. Henderson, "I do not think we would be justified to permit the local company to keep its securities outside the state, to the possible prejudice of Maryland creditors merely as a matter of convenience to the companies."

#### N. J. Field Man's Handling of Trusteeship Suspected

Possibility that the disappearance about a month ago of W. W. Dupont, New Jersey special agent for Crum & Forster, was due to irregularities in handling the funds of a trustee agency, was seen in the action of Vice-Chancellor Stein of Newark in restraining Dupont and his wife from withdrawing money from their personal account in the Federal Trust Company. The complainants were John L. Martin and S. R. Howard, other New Jersey field men who were on a committee with Dupont in charge of a trustee agency.

Apparently Dupont had been drawing the checks and one of the other trustees had been countersigning them. There is a report showing that Dupont has deposited checks for \$68,295 in his personal account and transferred \$66,271 to the trust account, leaving a shortage of \$2,023.

Dupont disappeared after leaving his automobile and some of his clothing on the ocean front at Sea Bright, N. J.

The same sort of situation developed in Illinois recently, where a field man was dismissed after having been charged with misappropriating trust fund collections. A number of the companies are having their field men bonded.

#### Selling Explosion Cover

Alert agents in Pittsburgh have been capitalizing on the recent gas explosion in a private residence in the Squirrel

Hill district to sell simple explosion coverage to householders. The Squirrel Hill explosion was caused from a hot water heater. Considerable simple explosion coverage has been sold to individual householders and some of the building and loan associations have bought blanket simple explosion coverage to take care of their interests. The rate is 5 cents per \$100 for one year and 12½ cents for three years.

## Motor Insurance Events

### State Farm Agents Gather

New Automobile Policy Explained at  
Annual Meeting in Bloomington—  
Over 1,500 Present

Over 1,500 agents and home office workers attended the annual convention in Bloomington, Ill., of the State Farm Mutual Automobile and State Farm Life. President G. J. Mecherle welcomed the gathering and reviewed the events of the past year. He explained the new automobile policy contract which the State Farm Mutual is issuing as the result of extensive research and past experience. He described the revised classifications and the modification of the service fee plan, which encourages the writing of full automobile coverage. Broader road service coverage is also provided, according to Mr. Mecherle.

Mr. Mecherle said the companies have never been in as sound financial condition as at the present time. Although there has been some shrinkage in values, the percentage is small compared with the total assets.

The growth of the State Farm Life was described by Vice-President Morris Fuller. A. W. Tompkins, superintendent of agents, discussed the future with "Onward in 1934" as his theme. Mr. Tompkins urged the agents to banish fear, saying that it is the most destructive force with which the human mind has to contend. He urged the agents to organize their time so as to do more effective work. R. A. Trubey, North Dakota manager of the Guardian Life, spoke on "Building Rural Stability Through Life Insurance."

Selection of preferred class risks is essential to sound underwriting, F. B. Coleman, claim supervisor, declared. He urged the agents to write the best business because it enables the company to enjoy a steady and substantial growth, which in turn is an aid to them.

Prizes for production record were awarded by G. E. Mecherle, assistant secretary, to T. H. Bond of Los Angeles as leading district agent, and to L. W. Wells, Lynchburg, Va., as leading local agent.

H. L. Ekern, Chicago lawyer and former Wisconsin insurance commissioner, spoke, giving the arguments for legal reserve mutual insurance.

Secretary G. E. Beedle told of the satisfactory gains made by the company in 1933. An invitation to hold the 1935 convention in San Francisco was extended by the San Francisco chamber of commerce.

The State Farm Mutual Automobile had \$7,030,602 income in 1933 and disbursements of \$6,143,146, Treasurer A. H. Rust reported. Its assets increased from \$7,026,942 to \$7,876,385. Reserves increased approximately half a million dollars and surplus almost \$350,000. The State Farm Mutual has \$326,000 cash on hand and \$2,000,000 in government bonds.

#### Auto Owners Holds Convention

The Auto Owners of Lansing, Mich., held its annual sales convention there with more than 450 agents in attendance. E. G. Trimble, president Employers Reinsurance, was one of the main speakers. He counseled conservatism in

relation to fleet business, holding that the Michigan department's definition of a minimum fleet, five cars under one ownership, is too liberal. A true fleet, he said, should consist of a larger number of vehicles.

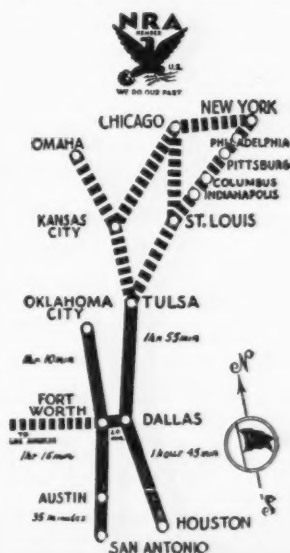
Commissioner C. E. Gauss and Deputy Commissioner H. B. Corell were dinner speakers.

#### National Auto Club Anniversary

SAN FRANCISCO, Feb. 28.—Today the National Automobile Club celebrates its 10th anniversary. Started as an experiment, the club is now the third largest in point of membership in the country. Its membership renewal record in January was 76.8 percent. Launched as an aid to local agents in competing with the automobile clubs with reciprocal affiliates, the club has introduced many additional services which have been instrumental in greatly advancing the usefulness of such organizations to motorists.



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# WHAT LIMITS?

***Don't backslide—continue to sell adequate automobile liability limits***

**W**E strongly urge our producers to refrain from selling automobile public liability policies carrying lower limits than the standard \$5/10,000. We continue to recommend that our producers explain to every prospect and to every assured the desirability of carrying minimum limits of \$10/20,000 and the great value in protection and peace of mind afforded by limits of \$20/40,000 or higher.

There is no demand and, in our judgment, no excuse for the sub-standard limits (\$2,500/5,000) recently announced by other companies. No automobile owner who gives a second thought to the matter would be willing to carry such grossly inadequate automobile liability insurance in order to save such a relatively small amount as ten per cent of his premium.

The general sale of sub-standard limit policies would inevitably result in widespread dissatisfaction and resentment among policyholders. To permit the insuring public to carry inadequate protection is a distinct disservice to them. Altogether the introduc-

tion of sub-standard limits is a retrogressive step, fraught with countless possibilities for mischief which far outweigh any possible benefits the companies could derive from it.

**Attention should always be emphatically called to the fact that the minimum limits of liability upon which certification of financial responsibility can be made in any of the states and provinces—and there are twenty-two such states and eight such Canadian provinces—having Financial Responsibility Laws is \$5/10,000, which until now have been generally conceded to be the minimum limits compatible with the reasonable protection of policyholders.**

Judicious automobile insurance buyers will question a limit for automobile liability insurance that is less by half than the standard property damage limit.

The proposal for sub-standard limits hardly represents the well considered judgment of the insurance fraternity.

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*L. A. Harris, President*

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# The National Underwriter

March 1, 1934

CASUALTY AND SURETY SECTION

Page Twenty-nine

## Say Named-Driver Policy Is Better

**Paviour & Son of Rochester Find Automobile Liability Turning Sour**

### SUGGESTIONS ARE MADE

**Lower Premium Possible Through Restrictions Needed to Stimulate Sales, Agency Concludes**

NEW YORK, Feb. 28.—"Automobile liability insurance is going 'sour,' which means that it is now in the unprofitable column with workmen's compensation insurance." Such is the statement made by R. S. Paviour & Son, prominent agents of Rochester, in a communication to clients.

The agency states, "the depression caused many autoists to drop insurance, the increase in uninsured cars being particularly recognized by traffic victims, who find it increasingly difficult to collect damages."

As remedial suggestions Paviour & Son submits that "if more autoists could be induced to carry insurance the companies would have more chance of making a little profit. If certain limitations were placed in the policy, the premium could be made lower and therefore more attractive."

#### Suggests Limiting Coverage

"That is why some are now advocating a named-driver policy. Rather than insure all the members of the family and most anyone else, why not confine the coverage to a single person? Then extra charges could be made for additional persons included. That's the way it was formerly done."

It is declared that some underwriters "are advocating the elimination of guest coverage," while other suggestions are the reduction of policy limits to \$2,500-\$5,000, issuance of a deductible cover under which the assured "would share part of the claim," and restoration of the merit rating system.

While it is true that virtually all of these proposals, as well as others, have been discussed by automobile underwriters from time to time, few have been agreed upon, and it is said that the majority have been disregarded as being either impractical or for other reasons.

#### Experience Not Superior

So far as issuance of a named-driver policy, with a graded increased premium rate for each additional person covered, is concerned, the experience of the companies reveal that the per car loss under the named-driver form fully equaled that suffered under the multiple driver coverage. It may be, underwriters concede, that the experience tabulated was not wholly trustworthy, in that many youngsters were insured under the former type

(CONTINUED ON PAGE 32)

## Test Congress Power to Abrogate Gold Clause

By JOHN F. WOHLGEMUTH  
Secretary, The National Underwriter

Devaluation of the dollar is absolutely within the power of Congress. The power of Congress to abrogate the gold clause in mortgages and other contracts is more doubtful. A test of the latter power has been started at Columbus, Ohio, in a foreclosure action brought by the Equitable Life of New York against Theodore and Edna Freda of Columbus.

Many life policies still outstanding contain a clause making them payable in "gold coin of the present standard of weight and fineness." These were issued early in the century when the Bryan free silver agitation was a factor in politics.

#### Attitude of the Court

In the Freda case at Columbus Judge King of the common pleas court ruled that the gold embargo invoked by Congress and President Roosevelt does not invalidate lawful contracts calling for payment of gold. The payment, Judge King said, must be made in lawful currency of the United States in a sum equal to the amount of gold called for in the contract. Newspaper dispatches on the case are meager, but evidently Judge King holds that the law passed by Congress abrogating the gold clause in contracts is invalid and ineffective.

The purport of Judge King's ruling is that a mortgage for \$1,000, executed before the President's devaluation order, and containing the customary gold clause, calls for 23,220 grains or 483½ ounces of fine gold, and that there is no power to impair the obligation of this contract; or rather, that no action yet taken has impaired the obligation of the mortgagor to pay 483½ ounces of gold on a \$1,000 mortgage.

#### Translation Into New Dollars

Translated into new dollars at 35 to the ounce, this means that a mortgagor owing \$1,000 and bound by the gold clause must pay \$1,693.125. Under the same ruling, a life insurance policy, issued with the gold clause, would call for the same sum on maturity. Bonds, which like mortgages nearly always contain the gold clause, similarly call for 1,693¾ dollars, new style.

The test was bound to come. There can be no stability until this question has been through the courts. From the standpoint of devaluationists, it is much better to have the test come on the foreclosure of a home, where the demand on the home owner is for five-eighths more dollars than he contracted for, than it would be to have it come on a life policy, where it would appear that a huge corporation was going back on its contracts.

The ruling does not necessarily represent the legal judgment of Judge King. In a vital case a trial court will often make a ruling so as to present the vital question for the upper courts, rather than to go on its own opinion or inclination.

If Judge King's ruling is correct, then we have chaos. Instead of relieving the farmer, the home owner and other mortgage debtors by canceling two-

fifths of their debts by devaluing the dollar, devaluation will crucify debtors by requiring them to pay five-eighths more than they contracted for.

Until the question is settled there can be no stability. The experts are puzzled because the so-called stabilization of the dollar at 59.06 has failed to accomplish what was expected. The same newspaper issue that told of the Columbus test told of Secretary of the Treasury Morgenthau having another conference with the professors to see what can next be done to help the situation. When business is afraid to move because of doubts of the permanence of the stabilization attempted, the experts go on and talk about paper dollars or silver dollars.

#### Up to the U. S. Supreme Court

The final say on devaluation of the gold dollar and abrogation of the gold clause in mortgages and other contracts rests with the U. S. Supreme Court. The legal considerations can only be indicated.

The constitution gives Congress absolute power over the currency and over weights and measures. Congress can change the weight of gold in the dollar, just as it can change the weight of wheat in the bushel, the weight of the pound avoirdupois, the content of a gallon, etc. That power is beyond argument. The real question is on the power of Congress to nullify contracts calling for dollars of a certain weight or fineness.

Insurance companies are used to having contracts changed by law. If an insurance company issues a policy in a state where that state requires terms differing from those in the actual policy, the legal terms will prevail, rather than those incorporated in the policy. This differs from the gold clause question in this, that if a policy is issued before a state law regulating the terms of policies takes effect, policies already in effect are not changed by the law.

#### Provision of the Federal Constitution

The constitution prohibits states from impairing the obligation of contracts. It does not prohibit Congress from impairing the obligation of contracts. Congress is given exclusive power to enact bankruptcy laws. Bankruptcy of course impairs the obligation of contracts.

It is beyond doubt that an ordinary government, such as the government of any one of the 48 states, or a government in full authority in any country, has power to alter contracts or do any other act, just or unjust. The only restriction on the states of the American union is in the constitution by which they are bound. The federal government however is not in full authority. It is a government of delegated powers, and the constitution expressly stipulates that powers not expressly granted are withheld. Therefore the power of Congress to abolish the gold clause in existing contracts must be found somewhere in the constitution.

It would not be difficult for the U. S. Supreme Court to hold that the

(CONTINUED ON PAGE 32)

## Companies Seek To Explain Rules

**Special Agents Being Sent Out on Account of Personal Accident Restrictions**

### SOME MISUNDERSTANDING

**Seek to Explain to Local Representatives Limitations Forced by Heavy Loss Ratios**

NEW YORK, Feb. 28.—To make clear to local agents the changes in underwriting personal accident insurance that have taken place within the past three years and the reasons for their adoption, a number of companies are utilizing the services of special agents, finding this plan far more effective than letter-writing, however detailed the latter may be.

#### Seek Better Understanding

Agents who have represented certain companies for a considerable time and who became accustomed to handling business under long established home office regulations, found it difficult to understand the more stringent limitations managers were compelled to apply to the line as a consequence of the increased loss experience in 1931-1933.

They were inclined to resent what they felt were unwarranted restrictions reflecting upon their judgment. To remove this erroneous impression and make clear to the local agents the reason for present policies is the function of the special agents now traveling the field.

#### Mental Strain Is Factor

Largely, it is assumed, because of the great mental strain to which business men have been subjected under the period of acute industrial depression, many reputed "accidental" deaths, company officials are convinced, were deliberate suicides, for which the companies, unable to produce proof, were compelled to pay large sums. Another cause of increased claims, likewise indirectly traceable to unsatisfactory general business conditions, was the great number of payments for deaths and injuries caused by automobile accidents. A percentage of these was attributed to the high speed of cars of today, to the failure of many pedestrians to make due allowance for the increased pace of modern traffic, and to mental sluggishness and preoccupation due to depression difficulties.

#### Automobile Cases Predominate

The automobile hazard continues to be a most important factor in the accident loss ratio of casualty companies. While deaths from monoxide poisoning have materially decreased in recent months, claims for injuries in car collisions and when walking upon roadways, continue to come in with clocklike regularity.

## Casualty Men in Mountain Field Form an Organization

GODINE IS TEMPORARY HEAD

C. F. E. Nelson Outlines Advantages Gained by Closer Cooperation—To Aid in Reducing Losses

DENVER, Feb. 28.—A permanent organization of casualty men in the mountain territory was decided upon at a meeting here of practically every manager and general agent of the conference companies. Through the proposed organization casualty leaders here contemplate a broad program of influence extended upon rates, rules and underwriting practices.

Temporary officers chosen are G. A. Godine, Travelers, president; H. F. Evans, general agent, vice-president, and C. F. E. Nelson, Ocean Accident, secretary-treasurer. A meeting has been called for March 9 when a constitution and by-laws will be considered for adoption.

### What Can Be Done

Organization of the casualty men of the mountain field is timely in view of the tremendous losses the companies have suffered in recent years, according to Mr. Nelson, leader of the movement to effect its completion, who addressed the meeting. He enumerated some of the things they can accomplish as an organization but are impossible of achievement through individuals. They are: (1) Territorial rate changes, as needed; (2) changes in manual rules may be taken up direct with the bureau which would undoubtedly welcome such assistance; (3) agents of this territory who do not keep in line can be dealt with more effectively through an organization; (4) scurrilous stories as to what this or that company is doing can be nailed and stopped; (5) interpretations of new casualty and surety rules can be discussed so that the agents in this territory can be given a uniform code of understanding; (6) rates that are too high or inadequate can be so reported to the bureau and changes effected; (7) the organization will provide a means of getting acquainted and do away with a lot of misunderstanding as to the methods and policies of the other fellow. "None of us," Mr. Nelson said, "is too old or experienced in this work to learn from the other fellow, and a fair consideration of him and his ideas will, no doubt, leave us in a much different frame of mind and attitude than we would be if we have no common meeting ground such as this organization will offer."

### May Affiliate with Fire Group

Affiliation with the well-organized fire association was pointed out as one of the possibilities of the new organization by Mr. Nelson. He visualized uniform rates for business written by both fire and casualty companies; also uniform commissions for all casualty local and general agents. "Delinquent accounts could be handled on a uniform basis, much the same as the fire association companies," he declared. "Likewise could infractions be reported, and assessment of fines made. We might bring in line the non-affiliated casualty companies in this territory through proper procedure and approach which has been done by the fire association. A uniform method of underwriting procedure in the Rocky Mountain territory is a possibility."

### Virginia Automobile Experience

RICHMOND, Feb. 28.—Figures compiled by the Virginia department show that insurance companies paid \$1,722,595 in 1932, the latest year for which complete figures are available, as a result of automobile accident claims, including \$1,361,116 on liability coverage, \$293,750 for property damage and \$67,729 for collisions.

## Behind Globe Indemnity Big Prosperity Contest



E. J. SCHOFIELD

The big prize winner in the prosperity contest of the Globe Indemnity which continues through April will receive a vacation trip for two people at the expense of the company, according to announcement to the agents. The prosperity contest has been underway since the first of the year, having been originated by Vice-president E. J. Schofield, who is also superintending its course and maintaining enthusiasm.

The grand prize will be given to the agency which produces the most satisfactory results to the company, measured by the agency opportunity, which produces a volume of premiums in lines most desirable from a company standpoint; which displays the greatest loyalty to stock company principles and bureau company representation; whose volume of production measures the highest according to population, opportunity and character of territory.

The winner will be selected by a committee chosen from the membership of the Globe General Agents Association.

Every agency which produces its quota as assigned on the quota blank showing the total premiums expected from the agency will be given a special quota prize of some useful article.

The agencies are divided into five classifications, according to the population of their cities. Class A includes cities of population over 500,000, excluding greater New York; class B, 250,001-500,000; C, 100,001-250,000; D, 25,001-100,000; E, 25,000 and under.

In each classification there will be four prizes, the first being an article of the agent's selection costing \$100 or less; second prize, \$50 article; third prize, \$35 article, fourth prize, \$15 article.

### To Build Up Milwaukee Board

MILWAUKEE, Feb. 28.—All casualty and surety men in Milwaukee county have been invited to attend a meeting of the Milwaukee Board of Casualty & Surety Underwriters March 1.

The objects of the new board and the progress made to date will be discussed at this meeting. Efforts are being made to build up the membership further.

### New Orleans Club Elects

NEW ORLEANS, Feb. 28.—At the annual meeting of the Association of Casualty & Surety General Agents & Managers, J. H. Bodenheimer was elected president; R. B. Reese, vice-president, and Grady Harrell, secretary-treasurer. Directors are C. H. Black, J. E. Buck and Wilfred Kullman.

## Would Give General Agent Greater Responsibilities

TO IMPROVE COMPENSATION

E. W. Bidigare of Detroit Proposes Delegating Expensive Functions to the Field Generals

Edward W. Bidigare, manager casualty department of the Crandall-Peters-Hamel Company agency of Detroit, in addressing the mid-year meeting of the Michigan Association of Insurance Agents in Lansing, proposed, for the improvement of the compensation business, that increased responsibility be delegated general agents and that the general agent's commission be increased to 22.5 percent. Mr. Bidigare contends that the service which the general agent would render on that 5 percent extra would relieve the companies of 15.5 percent of their expense—the cost of audit, inspection and claim services.

Under such an arrangement, the general agent would have to be one who enjoys the confidence of the company and all producers in the territory would be compelled to report through him. The general agent would be exclusively responsible for inspection, auditing and claim service.

### Home Office Supervision

The home office would still act in a supervisory capacity and would receive copies of all inspection reports, etc. The home office service staffs would be reduced considerably.

Mr. Bidigare expressed the belief the agent could operate profitably on the extra 5 percent by employing versatile men who could handle inspections, claim work and auditing, instead of having specialists in each department.

Coupled with this plan would be a contingent commission arrangement for the general agent.

Mr. Bidigare contends that this plan would produce for the companies a larger class of desirable business; loss ratio and inspection work would be improved by closer supervision; home office costs would be reduced and greater loyalty would be developed among the field force.

As far as the agent is concerned, the plan would eliminate the trend toward branch offices; it would tend to eliminate the commission collector and place the legitimate agent in a sounder position; create closer contact with clients and cause the agent to study the business more thoroughly.

## Bar Association Auto Group Seeks Standardized Forms

DETROIT, Feb. 28.—The automobile insurance committee of the American Bar Association, of which H. D. Brown, counsel for the Detroit Automobile Inter-Insurance Exchange, is chairman, held its first committee meeting in Detroit and laid out a tentative program. The principal problem is the standardization of automobile policy forms in use throughout the country. The committeemen feel that more can be accomplished for the good of everyone concerned by attempting to bring about a unification of policy forms than by any other of the many problems in the automobile insurance field.

Other phases of the business that will be considered are financial responsibility laws and the reduction of automobile accident claims through measures for uniformity of highway traffic regulations throughout the country. The next session of the committee will be held in Chicago in April.

Losses paid by the North Dakota bonding fund in 1933 totaled \$61,569, caused principally by embezzlements of two city treasurers totaling \$56,652.

## Bennett and Leslie Agree Progress Has Been Made

JOINT STATEMENT ISSUED

Agreement Is Reached on Certain Fundamental Principles at Company-Agent Compensation Conference

NEW YORK, Feb. 28.—According to a statement authorized by William Leslie, associate general manager of the National Bureau of Casualty & Surety Underwriters and W. H. Bennett, secretary National Association of Insurance Agents, satisfactory progress was made in the conferences upon compensation problems between representatives of the two organizations and of the National Association of Casualty & Surety Agents, held here last week, agreement having been reached on certain fundamental principles.

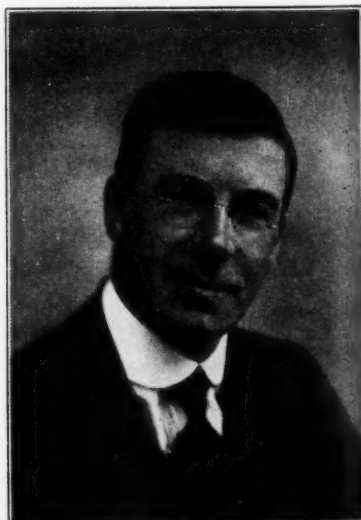
Some phases of the problem, the statement continues, have been referred to technical committees of the bureau for further study and report, following which, it is anticipated, the conference will be in position to present a joint program to the special compensation committee of the National Convention of Insurance Committees.

An unconfirmed report is that the agents insisted that no matter how rates are adjusted, they should be assured of getting the same dollars in commissions from risks as they are now getting. That is, if rates are increased, they would consent to a reduction in commissions so as to produce the same commission dollar as before the change, but if rates are decreased they insist upon increasing the commission percentage.

### Drops Mail Order "Ads"

LANSING, MICH., Feb. 28.—Department officials have obtained the discontinuance of non-admitted accident insurance advertising in the Detroit "News," which has the largest circulation of any Michigan newspaper. Several other newspapers in the state have refused similar advertising at the request of the department, despite some caustic criticism from officers of the mail-order carriers who claim the department has no right to interfere.

## To Address Dinner of N. Y. Insurance Society



FREDERICK RICHARDSON

One of the speakers at the big dinner of the Insurance Society of New York will be Frederick Richardson, United States manager of the General Accident. His topic will be "Education of an Insurance Executive."

## Federal Judge in Opposition to Court Receivership Plan

### RESULTS ARE USUALLY FATAL

Justice Evans of Illinois Believes Responsibility Rests on Insurance Men to Change Procedure

Insurance company receiverships should be kept out of the courts. It is almost fatal for a company in difficulties to be dumped into the legal channels. There starts a widespread lapsing by life company policyholders. Other companies only naturally strive to profit at the expense of the failed company by rewriting its business. This is the opinion of United States Appellate Judge Evans of Chicago, expressed in a talk at the mid-winter meeting of the National Fraternal Congress in that city.

Judge Evans said a court receivership cannot work successfully. He believes something must be done to prevent insurance companies from being wound up by the courts. He cited the Illinois Life, which in spite of strenuous efforts of the court and receiver to preserve the business, a vast amount was lapsed and permanently lost.

There should be some sort of power granted by the legislature to somebody to work out matters with the insurance department before a company's difficulties reach the final stage, he said. The courts are busy at best. The legal process requires much time as a rule. It behooves insurance people to secure legislation in the various states to require a minority interest in a company to submit to the majority when recommendations meet the approval of the insurance commissioner.

Judge Evans was followed by H. L. Ekern, insurance attorney and former attorney-general and insurance commissioner of Wisconsin, who said it is inevitable in receiverships that the insurance shall be terminated unless reinsurance is obtained. A great mass of unfortunate life and accident policyholders are unable to get insurance anywhere else. Mr. Ekern said Judge Evans' suggestion had been worked out in part by legislatures of some states, on the so-called conservator basis, but this does not solve the entire problem and additional legislation is needed.

### Wisconsin Liquor Liability

The casualty companies are studying the possibility of writing liability insurance to cover those who sell liquor under the section of the recently enacted Wisconsin law, imposing liability under certain circumstances for the sale of liquor to minors and habitual drunkards. That section provides that if liquor is knowingly sold or given away to minors or habitual drunkards after having been notified or requested in writing by officers or relatives or guardians not to sell to such persons, that the seller shall be liable for any injury in person, property or means of support because of the intoxication of any such minor or habitual drunkard. There is no liability in such connection on the owner of the premises, as distinguished from the operator.

### Studies Automobile Cost

CLEVELAND, Feb. 28.—At a meeting of the Cleveland Casualty Underwriters Association a committee was appointed to take up the matter of reducing automobile costs to the insured. Plans similar to the delayed merit rating plan will be studied and, following investigation, the committee will report back to the association. The committee consists of Stanley Sherman, chairman; E. A. Cottier, Standard Surety; H. T. Knudsen, Aetna Casualty, and C. O. Ransom.

Other questions discussed were safety measures, traffic surveys and underwriters' problems.

## New Office Burglary Form for Professional People

### FEATURES OF THE CONTRACT

Insurance Department of New York Will Now Pass on the Policy Provisions

NEW YORK, Feb. 28.—As soon as sanction of the insurance department is given, a new office burglary and robbery policy will be placed on the market by the burglary companies. The new contract, which is intended to appeal to professional men and particularly to lawyers, is very similar to the storekeepers' policy which the companies have been writing for years and with satisfactory result. It provides aggregate indemnity of \$1,500, liability for six designated forms of coverage being limited to \$250 each, these being respectively: loss from interior robbery, of custodian property, kidnaping, messenger hold-up, safe burglary and property damage. Rates vary according to territorial assignment; that for risks in territory No. 1 being \$20; No. 2 and No. 4 \$17.50; and territory No. 3 \$25.

### Has Right to Pledge Assets

National Surety Gets Full Recovery from Stake Put Up by Franklin Trust Company

The Pennsylvania supreme court for the eastern district has held that a trust company has the right to pledge assets to secure its deposits and the National Surety, which was on the depository bond, was granted full recovery from the assets so pledged to provide counter indemnity.

The National Surety issued a depository bond in the amount of \$75,000 covering funds of the school district of Philadelphia in the Franklin Trust Company. The National Surety bond was substituted for one of the Glens Falls Indemnity, which had canceled. On demand of the National Surety, government bonds to the extent of \$75,000 were pledged by the bank. When the Franklin Trust Company was barred from transacting further business, the school district had on deposit \$300,035. There were a number of other sureties interested and they paid their share. The National Surety paid \$45,035 and then demanded delivery to it of the \$75,000 of government bonds held by the Pennsylvania Company for Insurances on Lives and Granting Annuities, stakeholder of the pledged assets. Subsequently the other surety companies claimed they were interested in the bonds and intervened.

The higher court held that in the distribution of the proceeds of the government bonds, the National Surety is entitled to receive its claim in full, with interest. The other sureties claimed they were entitled to participate in the surplus of the proceeds of the bonds above the National Surety's recovery. The higher court held that the other sureties had no interest in the bonds and the surplus from their sale must go back to the trust company, in the hands of the secretary of banking.

### C. M. Hebble with Hanlon

Charles M. Hebble, assistant underwriter at the Buckeye Union Casualty home office in Columbus, has resigned to become associated with the Thomas E. Hanlon agency of the Employers Liability in Cincinnati as an underwriter. Mr. Hebble is a son of C. R. Hebble, late editor of the F. C. & S. Bulletins, published by THE NATIONAL UNDERWRITER. Another son, Howard B. Hebble, is also in the insurance business in Cincinnati.

Don Walters, formerly with the Independence Indemnity, succeeds Mr. Hebble in Columbus.

## Presiding Officer at Bureau Annual Meeting



P. H. ROGERS

P. H. Rogers, assistant to Secretary E. C. Bowen of the Aetna Life, who has charge of its accident and health department, is chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters and is presiding over its annual meeting in New York City this week. For some years he was assistant secretary of the Massachusetts Bonding.

## Responsibility Law Is Now Effective in Minnesota

The Minnesota automobile financial responsibility law becomes effective Thursday of this week, March 1. An analysis of the Minnesota law has been made by John H. Egloff, supervisor agency field service for the Travelers.

He points out the motorist must file acceptable evidence of financial responsibility when his right or license to operate a car has been revoked because of violations of certain specific provisions of the law or when he has failed to satisfy in 30 days a final judgment for personal injury, including death, or for property damage in excess of \$100, resulting from an accident occurring anywhere in the United States.

In addition to being applicable to any person owning or operating a car in Minnesota, it is likewise applicable to automobile owners as well as operators, whether they are operating the car at the time of the accident or violation or not. It applies to non-residents with respect to the operation of motor vehicles in Minnesota.

Mr. Egloff points out the new act is in no sense a compensation law under which persons injured by cars shall receive certain sums as compensation for their injuries. Automobile claims will be handled after March 1 as they have been handled. Evidence of financial responsibility required is merely security for civil liability imposed by law.

Mr. Egloff states the best and most economical way of taking care of the responsibility under the law is to see a reputable agent or broker and purchase adequate automobile insurance. The prudent operator will protect the valued privilege to operate a motor vehicle. He will not wait until he is called upon by the authorities to furnish evidence of financial responsibility.

### Named-Driver Form Accepted

SEATTLE, Feb. 28.—The "named-driver" automobile liability form filed by C. B. DeMille General Agency for the Trinity Universal has been officially accepted by Commissioner Sullivan.

## No Important Action Likely at the Annual Meeting

P. H. ROGERS IS THE CHAIRMAN

Bureau of Personal Accident & Health Underwriters Will Have Its Conference This Week

NEW YORK, Feb. 28.—In addition to the election of officers, reports from standing committees of the Bureau of Personal Accident & Health Underwriters will be offered at the annual meeting here tomorrow. It is not anticipated, however, that anything of a drastic nature will be adopted, as the general business is running along fairly smoothly.

Two full years have now elapsed since the bureau adopted its uniform policy clause program, the success of which has been fully demonstrated. The data upon which rates for the special policies sanctioned were predicated were contributed by nine companies writing an aggregate premium income of about \$50,000,000. Since that time, through the filing of experience by companies writing approximately 85 percent of the total accident and health premiums, the scope of the data has been greatly broadened and the results revealed as far more dependable than those gathered 12 months or more ago.

The present membership numbers 49 companies, the most recent addition having been the First Reinsurance of Hartford. P. H. Rogers, Aetna Life, is chairman of the governing committee and F. Robertson Jones, secretary-treasurer.

## Recovery Bureau Outfit Operating from Danville

There have been many inquiries coming to THE NATIONAL UNDERWRITER concerning the Mercantile Recovery Bureau of Danville, Ill. This seemingly is issuing a contract sold to the smaller merchants which agrees to pay not over \$50 if money or merchandise has been stolen and recovery is not made within 60 days. A man named Lennox of Danville seems to be the owner of the outfit. He is a young chap in the late 20s and has a very convincing way. He claims that he purchased three of these schemes from a man named Cole and is paying some claims under the old contracts at present. He receives mail in Danville, some in Indianapolis and some in Owensboro, Ky. He stated to a local agent at Danville that he is not accepting any new business in Illinois. Seemingly the Illinois insurance department got on his trail and therefore he closed down on state business. Evidently he is not using the mail in delivering his contracts but has some one make delivery in person. The contract is not signed but on the outside simply appears the name of a "registrar." The face of the bond is \$500.

### Liquor Shop Liability

Casualty companies, after perusing some of the decisions under the old Illinois dram shop act, upon which some features of the new liquor laws in that state have been modeled, have come to the conclusion that liability insurance may safely be written. The Illinois law makes the seller of liquor and the owner of the premises liable for damage done by purchasers of liquor. Under the old decisions, it was held that no recovery can be had from the owner of the premises unless negligence is shown on the part of the seller. If the seller is found liable the owner (if joined) may also be liable. Contributory negligence on the part of the person seeking recovery alone shall not prevent another, as for instance, a wife, from recovery nor will contributory negligence on the part of the wife prevent recovery by the children.

## Non-affiliated Companies Hold Meeting in Columbus

### WILL WORK WITH BUREAU

About Fifty Representatives Were Present to Discuss the Reduced Automobile Liability Rates

COLUMBUS, O., Feb. 28.—About 50 representatives of nonconference casualty companies held a meeting here to consider the recent rate reduction ordered by the National Bureau of Casualty & Surety Underwriters on automobile liability rates. H. L. Andrews of the Buckeye Union and Howard Sloneker of the Ohio Casualty presided and F. K. Vaughn, secretary Underwriters Service, served as secretary. Among the companies represented in addition to the foregoing, were the Farm Bureau Motorists Mutual, State Automobile, Western & Southern Indemnity, Trinity Universal, Wolverine and others. Some of the representatives declared they were present merely to look on. It was stated that it was the desire to cooperate with the National Bureau rather than oppose it in any way.

A committee was appointed to consider plans for forming a new rating organization.

## Say Named-Driver Policy Is Better

(CONTINUED FROM PAGE 29)

of contract and hence possibly there was adverse risk selection.

With respect to elimination of "guest" coverage, any restriction of policy conditions, it is believed, would increase sales resistance and hence, unless a change becomes absolutely necessary, company managers are loath to adopt it. Two or three states have laws relieving car owners from liability for injuries suffered by motor guests, save where "gross negligence" in driving is evident. In virtually all claims filed by guests, the contention of "gross negligence" is advanced and as the determination of fact is left to juries, the car owner in the great majority of cases is held for damages.

Scant favor is felt for the suggested writing of a deductible contract. The conviction is that as a coinsurer the motorist would undertake settlement of a loss, and by virtue of his inexperience in adjusting would be apt to muddle the affair so as to compel payment to the injured party of a sum far larger than would be just.

Credit rating in automobile insurance was in operation for a time but was found to be impractical; 99 out of every 100 applicants for indemnity stoutly insisted that they had had no accident in the preceding year, and hence were entitled to the 10 percent rate reduction. So unsatisfactory was experience generally with the plan that it was withdrawn.

Theoretically, the idea of making a rate concession to the careful driver with a clean accident record is strictly correct and in the minds of some underwriters a workable program along such lines may yet be worked out. At this time, however, nothing in this direction is being done.

### State Fund Bill Up

JACKSON, MISS., Feb. 28.—The Mississippi legislature is considering a measure to establish a state fund for bonding sheriffs and other county officers. The bill has a good chance of passing. It provides for rates charged by conference companies, allows no commissions to agents, and creates a salary of \$3,600 per annum to the fund administrator.

## Named Secretary



FRANK E. O'BRIEN

Frank E. O'Brien, assistant superintendent of agencies for the Fidelity & Casualty, has been elected a secretary of that company. He is primarily a production man and is resourceful in his work.

## Walter Moore Joins the Western & Southern Forces

Walter R. Moore has joined the Western & Southern Indemnity of Cincinnati, and will operate from the home office as executive special agent. For several years he has been field supervisor for the Great American Indemnity, managing the Columbus, O., office. He is well known in several middle western and southern states, where he was in charge of agency development. Before joining the Great American Indemnity in 1928, he was casualty manager for the Travelers at Wheeling, W. Va. Before entering the insurance field he was a captain of cavalry in the regular army.

## Test Congress' Power to Abrogate Gold Clause

(CONTINUED FROM PAGE 29)

power of Congress over the currency includes power to make the established currency legal tender on debts, and to nullify private contracts in conflict with the currency laws. In fact, it would seem that the power of Congress over currency would be a nullity unless it included the power to make it legal tender, regardless of private contracts. It is significant that the constitution does not prohibit Congress from impairing the obligation of contracts.

It is also significant that the constitution was adopted at a time when devaluation of the currency was frequent and sometimes radical. It might easily be supposed that the power of Congress over the currency was granted with the practice of devaluation in view.

Whatever the decision, it is to be hoped it will be speedy.

### International Reinsurance Case

SAN FRANCISCO, Feb. 28.—Insurance Commissioner Mitchell had no right, the United States circuit court decides, to try to take over the assets of the International Reinsurance of Delaware, thrown into receivership in the courts of that state. Mr. Mitchell appealed from a ruling of the federal court in Los Angeles. This action by the circuit court held the Delaware receivership held prior claim.

## Details of Instalment Plan for Automobile Cover Given

### NEW NATIONAL BUREAU RULES

Monthly, Quarterly and Semi-Annual Premium Payment System Is Started March 1

Details of rules of the National Bureau of Casualty & Surety Underwriters authorizing instalment payment of premiums for automobile insurance are given this week. The uniform plan is intended to replace a number of individual company plans used for some years.

Members are supposed to use the plan instead of any of their own. In the past the bureau had an instalment plan for premiums over \$200 but the new system provides for handling premiums of any size.

The plan went into effect March 1 but an extension to March 15 is granted companies which could not adopt the system immediately. The total premium is payable at beginning of policy period unless policy is carried on instalment basis. Premiums on fleets, garages and risks which qualify for premium requirements may be paid on monthly adjustment basis under several plans, deposit premium being at least 20 percent of estimated annual advance premium but not less than \$200. Details are:

Under plan A earned premium is determined by monthly audit if policy is written on the basis of estimated advance premium. The assured would pay the company monthly premiums earned in the preceding month, deposit premium paid to be credited against final payment.

Under plan B if policy is written on basis of estimated advance premium, earned premium would be determined by audit at end of policy period, or, if on specified car basis, with subsequent adjustment, balance of estimated advance premium remaining after deducting deposit premium will be payable in monthly instalments of one-twelfth total estimated advance premium. Final instalment would be equal to balance of premium due. First monthly instalment would be due one month after effective date of policy.

The premium may be paid on a quarterly adjustment basis under several plans, providing deposit premium is at least 40 percent of estimated annual advance premium but not less than \$200.

### Quarterly Adjustment Plan

Plan A calls for assured to pay quarterly the premium earned in preceding quarter, if policy is written on the basis of estimated advance premium. Earned premium will be determined by quarterly audit. Deposit premium held by a company will be credited against final payment.

Under plan B, if policy is written on basis of estimated advance premium, earned premium will be determined by audit at end of policy period, or if policy is written on specified car basis without subsequent adjustment, balance of estimated advance premium after deducting deposit premium will be payable in quarterly instalments of one-quarter of total estimated advance premium. Final instalment would be the balance of premium due. First quarterly instalment would be due three months after effective date of policy.

Premium may be paid on semi-annual adjustment basis under several plans, provided deposit premium is at least 70 percent of estimated annual advance premium but not less than \$200.

Plan A. If policy is written on basis of estimated advance premium, earned premium to be determined by semi-annual audit, the assured to pay at the end of first six months of policy period the premium earned in the preceding six months. The deposit premium is to be credited against final payment.

Plan B. If policy is written on basis of estimated advance premium, earned premium is to be determined by audit at end of policy period, or if policy is written on specified car basis without subsequent adjustment, balance of estimated advance premium which remains after deducting deposit premium shall be payable at end of first six months of policy period.

Premium for a policy may be paid in

## Illinois Indemnity Plans to Write Liquor Bonds

### SPRINGFIELD HEADQUARTERS

Starts on Reciprocal Plan and Will Be Able to Offer Dram Shop Liability

Dramshop liability under the new liquor law of Illinois is causing some concern to liability insurance companies. The Illinois law is very drastic. If any person is injured by his own drinking or if his family is injured in their means of livelihood, the law makes liable in damages not only liquor dealers who sold him alcoholic liquors but the owners of property where the dramshop or package liquor store is located, as well as any trustees, real estate agents or others concerned with the use of the property for the sale of liquor.

Saloon or tavern liability insurance is not desired by the companies but they are feeling the pressure of landlords and trustees of choice property who are afraid of the drastic features of the Illinois law. A habitual drinker, while perfectly sober, may be served drinks in a restaurant or buy bottled liquor in a grocery or other store located in high class buildings.

The reluctance of the regular companies to take the dramshop hazard has led to the organization at Springfield, Ill., of a reciprocal under the name of the Illinois Indemnity Company. Before prohibition the Reich Indemnity Company of Springfield, Ill., a partnership, did a large business in dramshop liability. Its experience is said to have been profitable. Insurance companies that are being pressed to cover the hazard are curious about the policy forms and rates formerly used by the Reich Indemnity Company.

### Associated Indemnity Report

SAN FRANCISCO, Feb. 28.—C. W. Fellows, president of the Associated Indemnity, announces there is no truth in any reports that branch offices in Newark and Philadelphia are to be closed. He said such a move has never been discussed. E. L. Wurst & Co. of Minneapolis have been named general agents for the Associated Indemnity for Minnesota, succeeding H. A. Welch, who formerly represented the company there.

instalments on other risks regardless of size of premium, according to the following rules:

Maximum number of instalments is six, but smaller number permissible except in New York state, where maximum number is nine. First instalments due on effective date of policy. Due date of last instalment not more than six months after effective date of policy, except in New York state where due date of last instalment is not more than eight months after effective date.

Service charge of 50 cents for each instalment, including first payment, the service charge for all instalments to be paid in full with initial premium payment. Commission payable on service charge. Premium paid exclusive of total service charge never less than short rate charge, from effective date of policy to due date of next instalment where additional instalments are to be paid, or to expiration of policy where no further instalments are due.

Flat cancellation not accepted on business written on instalment basis. Earned premium due company for every day policy was in effect.

Another rule covering policy periods and premium payments states that no former automobile insurance governed by the manual shall be written for a term longer than or less than a year except upon short rate basis. A policy written for less than one year may be extended for remainder of such year or part thereof at additional charge based on manual rates in effect when extension is made.

## OFF TO A NEW RECORD



No matter how successful you were in 1933, you certainly hope to make a better record in 1934. In selling insurance, that means you must constantly keep on your toes. Much time and thought must be spent by the insurance agent or broker in preparation, if he is determined to make 1934 better than 1933. For this reason, in the March issue of *The Employers' Pioneer* are presented several articles as to how and why insurance is sold.

The actual claim cases and the non-technical information it contains are interesting reading. The photographic illustrations suggest that what has happened, can happen.

So, perhaps, if you're out to break a record in your own production of insurance premiums, the March issue of *The Employers' Pioneer* will be of help to you. Why not send for a copy? There is no obligation on your part. Address the Publicity Department of The Employers'

Group, 110 Milk Street, Boston, Mass. . . . The Employers' Group includes The Employers' Liability Assurance Corporation, Ltd., The Employers' Fire Insurance Company and the American Employer's Insurance Company.



## CHANGES IN CASUALTY FIELD

### Three New F. & C. Secretaries

William L. Bates, Frank E. O'Brien and Harold K. Remington Are Those That Are Advanced

Three members of the home office staff of the Fidelity & Casualty have been elected secretaries of the company, they being William L. Bates, Frank E. O'Brien and Harold K. Remington.

Mr. Bates graduated from Yale in 1912 and has been continuously with the Fidelity & Casualty his entire business career. He joined the F. & C. in 1913 in the bonding department and was appointed office manager of that department in 1923 and assistant superintendent in 1925. Two years later he was made superintendent of the department.

Mr. O'Brien joined the Fidelity & Casualty four years ago, after having been connected with the agency development department of the Travelers in its Philadelphia office. He has been assistant superintendent of agencies and recently took over the supervision of the accident department in addition to his other duties. He is a brother of M. J. O'Brien, vice-president of the Fidelity & Casualty.

Mr. Remington has been with the Fidelity & Casualty three years as executive assistant, formerly having been vice-president and secretary of the Constitution Indemnity and before that manager of the Philadelphia office of the Aetna Casualty. Two years ago he was made superintendent of the casualty department of the F. & C.

The Chase Insurance Agency, Worcester, Mass., has been chartered with Ben-zoin Lubin, president, and Louis Chase, treasurer.

### Franzen in Head Office Post

New York City Manager of Commercial and Metropolitan Casualty Is Succeeded by C. J. Stephen

F. W. Franzen, resident vice-president in the New York City branch for the Commercial Casualty and Metropolitan Casualty, is being taken into the head office to have supervision over the states in the western casualty division reporting to Newark.

Succeeding Mr. Franzen is C. J. Stephen, who retains, as well, the management of the Brooklyn branch. Another change is the assignment of responsibilities for accident and health business to Vice-President Winant Van Winkle.

Mr. Franzen started in the business at the head office of the Commercial Casualty. In 1918 he was appointed manager of its Newark branch and in 1930 was advanced to the management of the New York City branch.

Mr. Stephen has a wide following among brokers in the metropolitan area.

### McClelland Agency Supervisor

J. W. McClelland, claim adjuster for the Buckeye Union Casualty, has been appointed agency supervisor by the company with headquarters at the home office in Columbus.

He is succeeded by George S. Salzman.

### C. M. Leith Made Vice-President

C. M. Leith, manager of the New England office of the Standard Accident in Boston, has been appointed resident vice-president. He went to Boston in

January, 1927, from the Standard Accident's Chicago office where he was bonding manager. Previous to that time he had been with the United States Fidelity & Guaranty for 14 years.

### Kansas City Attorneys Move

Barber & Padlock, well known insurance attorneys and general adjusters in Kansas City, Mo., have moved their offices to 916 Walnut Street building. This firm handles fire, automobile, casualty, burglary and inland marine losses. Both are attorneys and members of the Kansas City Bar Association.

### Chicago Department Enlarged

The Chicago claim department of the Ohio Casualty under Manager J. J. Hermann has enlarged its offices, taking over additional space in A720 Insurance Exchange. It is connected with the Ohio Casualty branch office. Manager Hermann has a good corps of assistants. The Peoria office under Manager G. E. Willis handles Illinois claims outside of Lake and Cook counties.

### R. R. Runkles Resigns

BALTIMORE, Feb. 28.—R. R. Runkles, in charge of adjustments here for the Phoenix Indemnity, has resigned. He has been in charge of the Baltimore office for five years. Before that he was with the Travelers in Washington, D. C., for five years, his territory including parts of Maryland and Virginia in addition to the District of Columbia.

### Junior Underwriters Organize

KANSAS CITY, MO., Feb. 28.—The junior casualty underwriters' group organized as a luncheon discussion club has elected Ralph Hangar, Maryland Casualty, chairman; Miss Louise Pearson, Ocean Accident, vice-chairman, and Leslie Stuart, Central Surety, temporary treasurer.

## Accident-Health Field News

### Puts Lid on Hospital Groups

California Commissioner Says They Must Comply with Insurance Laws or Quit

SAN FRANCISCO, Feb. 28.—Commissioner Mitchell has notified all known hospital associations in the state that they must comply with the insurance laws or cease business. He tells them that they might organize as stock accident and health companies, as assessment organizations or as fraternal. This affects several bona fide associations which have operated many years in an honest and beneficial manner and maintain excellent hospitals.

There are, however, hundreds of loosely organized and fly-by-night organizations. Early this year the attorney general informed the commissioner that a study of their contracts indicated that he could assume jurisdiction over these groups. For the past year complaints have been received by the state medical board and the commissioner's office. People were apparently mulcted out of small sums, but which aggregated hundreds of thousands of dollars, without receiving any service.

### Indictments in Alameda County

District Attorney Warren of Alameda county, who instituted criminal proceedings against a group of operators of "health and hospital associations" which resulted in state-wide exposure of a "racket," securing 19 indictments, has appealed to the federal government to conduct the investigation further in other states.

In the meantime medical societies,

# THE OHIO CASUALTY INSURANCE CO. HAMILTON, OHIO

## Financial Statement January 1, 1934

### ASSETS

Cash in Bank and Office.....	\$ 548,103.39
*U. S. Government Bonds Due 1934 ....	400,062.50
*U. S. Government Bonds Long Term ..	869,380.18
*Municipal and Listed Bonds.....	525,087.69
**Preferred and Common Stocks.....	325,220.71
Mortgage Loans .....	145,590.55
Real Estate—Book Value.....	183,795.33
Premiums in course of collection (under 90 days) .....	400,314.07
Interest Accrued .....	12,440.75
Reinsurance .....	232.45
Other Ledger Assets.....	19,067.92

**\$3,429,295.54**

### LIABILITIES

Special Reserve for Liability Losses.....	\$ 741,944.07
Reserve for Losses and Claims other than Liability .....	197,353.00
Estimated Expenses of Investigation and Adjustment of Unpaid Claims.....	15,000.00
Reserve for Unearned Premiums.....	1,443,650.13
Reserve for Taxes.....	55,577.58
Reserve for Unpaid Bills.....	5,000.00
Reinsurance .....	28,525.47
Capital Stock .....	\$600,000.00
Surplus .....	342,245.29

**Surplus to Policyholders..... 942,245.29**

**\$3,429,295.54**

Cash and U. S. Government Bonds.....	\$1,817,546.07	Percentage to Total Assets	53.0
Municipal and Listed Bonds.....	525,087.69	Percentage to Total Assets	15.3
Preferred and Common Stocks.....	325,220.71	Percentage to Total Assets	9.5
Mortgage Loans .....	145,590.55	Percentage to Total Assets	4.2

\*Amortized values for Bonds.

\*\*Market Dec. 31, 1933, for Stocks

Cash in Closed Banks \$910.32

which in fact prevented effective legislation in 1931 and 1933 because of internal differences, are active in attempting to organize "county mutual" hospital associations which will be completely controlled by the societies of each county. They have insisted they should have control over such groups, while the accident and health insurance interests contend that the associations should be under the supervision of the insurance department.

### Bray Production Head

Francis G. Bray of the Chicago staff of the Travelers has been placed in complete charge of all accident production in the Chicago office. Mr. Bray has been connected with the Travelers since 1932. Previously he was a member of the home office organization of the Missouri State Life, serving as supervisor of sales in the group department and superintendent of sales in the accident and health department.

### Grovey Gets Washington National

F. C. Grovey of Oklahoma City has been appointed general agent of the Washington National of Chicago. He has a large organization operating in Oklahoma, Missouri, Arkansas, Kansas and Texas, selling life, accident and health.

### Reilly Old Line President

Rupert F. Fry, president of the Old Line Life of Milwaukee, which writes accident and health in addition to life insurance, becomes chairman of the board and John E. Reilly, secretary-treasurer, is elected president. Both are founders of the company.

## PERSONALS

C. M. Bend, president of Joyce Insurance, Inc., of St. Paul, has returned from about a ten days' visit to the east. On his way home he attended the mid-winter meeting of the National Fraternal Congress in Chicago. He has many friends in that organization and his office does a considerable bonding business with fraternal societies.

Holger Jensen, manager of the engineering and rating division of the Maryland Casualty, is serving as supervisor of safety work for the Civil Works Administration in Maryland.

Vice-President M. P. Cornelius of the Continental Casualty of Chicago has been spending a number of weeks at Mt. Dora, Fla. He expects to return to his office some time next week.

A. J. Crockett, vice-president and assistant secretary of the Standard Accident in charge of branch offices, and R. H. Platts, vice-president and assistant secretary in charge of underwriting and general agents, are on a trip to the Pacific Coast to visit the San Francisco branch of the company and to contact California agents.

Leland W. Cutler, vice-president of the Fidelity & Deposit in San Francisco, a former president of the San Francisco chamber of commerce and active civic worker, has been appointed a member of the committee to consider ways and means and plans for a world's fair to be held in the San Francisco Bay district in 1937 to celebrate the completion of the great bay bridges. R. E. Connolly, local agent of Berkeley, Calif., is also on the committee.

J. C. Adderly, formerly president of the Integrity Mutual Casualty of Chicago, who since Jan. 1, 1928, has been president and chairman of the executive committee of James B. Sipe & Co. of Pittsburgh, has resigned his position and expects to reenter insurance in some capacity. The Sipe Company is

an old manufacturer of paints. Mr. Adderly was put in charge of it to rehabilitate and extend its business. Last year it increased its income 26 percent. The company has been placed in a much stronger financial position and is put on a definite basis of earnings. Therefore, Mr. Adderly feels that his mission has been accomplished and he desires to return to his old field. He expects to take a few weeks vacation in Florida.

John S. Butler, who had been connected with the Chicago branch of the Hartford Steam Boiler 35 years, died at his home in Wheaton, Ill. He was 56 years of age.

Howard Flagg, vice-president of the Employers Reinsurance, has returned to the home office after a tour of the Pacific Coast field.

L. P. Eldridge, for the past 25 years with the Ocean Accident in Denver, San Francisco and Los Angeles, died in the latter city after a lingering illness. He was prominent as a producer of accident and health insurance, having at one time been a leader in the company's entire field.

H. A. Behrens of Chicago, president of the Continental Casualty and Conti-

## NEWS OF THE COMPANIES

### Company Showing Increases

#### Lumbermen's Mutual Casualty of Chicago Has Issued Its Annual Financial Statement

The Lumbermen's Mutual Casualty of Chicago in its annual statement shows premiums \$16,004,197, gain \$905,820. Its assets are \$17,222,827, gain \$1,191,046. Its stocks are valued on the market quotation basis. The net surplus is \$2,385,666, gain \$48,711. Its automobile premium income was \$11,921,684, gain \$426,991. The Lumbermen's Mutual has led

mental Assurance, who is on a six weeks South American trip, is now at Buenos Aires and may extend his sojourn for another two weeks by stopping in that city.

J. W. Henry of Pittsburgh, western Pennsylvania casualty manager of the Aetna Life group, and Mrs. Henry are touring Europe, and will return the middle of March.

all the mutual carriers in this class for many years and last year it was in second place among all the companies writing automobile. It has more than \$6,400,000 in cash and federal government bonds. Of the latter \$3,241,277 are short term securities due within four months. President J. S. Kemper in commenting on the year's operations and future conditions says:

#### Comment by President Kemper

"Your directors have felt that, security being our first consideration, it was important to maintain a high degree of liquidity even though by doing so we have substantially reduced our interest income. As soon as the general business situation is sufficiently clarified, we shall invest a considerable part of these funds in longer term securities which will produce larger earnings for the policyholders."

"Now that security valuations are on a more satisfactory basis for most companies, it is interesting to note that the maximum depreciation on our entire portfolio at the worst point in the depression was 7.61 percent. At no time

## BANKERS INDEMNITY INSURANCE COMPANY

NEWARK, NEW JERSEY

"One of the American Group"



### FINANCIAL STATEMENT DECEMBER 31, 1933

As Filed with Department of Banking and Insurance of New Jersey

#### ADMITTED ASSETS

Bonds and Stocks*	\$3,751,402.59
First Mortgages on Real Estate	311,075.00
Real Estate	34,682.87
Cash in Banks and Office	197,896.18
Premiums Outstanding (Not over three months due)	929,850.57
Interest Accrued	43,785.57
Other Admitted Assets	17,560.13
	<b>\$5,286,252.91</b>

#### LIABILITIES

Premium Reserve	\$1,518,274.00
Claim Reserve	1,909,637.00
Commissions to become due	197,865.75
Taxes and Expenses Payable	94,671.53
Borrowed Money	0
Contingency Reserve**	233,150.00
Capital	800,000.00
Surplus	532,654.63
	<b>\$5,286,252.91</b>

\*Valued on basis approved by The New Jersey Department of Banking and Insurance.

\*\*Contingency Reserve, representing difference between values carried in assets for non amortizable bonds and for stocks and actual December 31, 1933, market quotations on such bonds and stocks.

**SURPLUS TO POLICYHOLDERS \$1,332,654.63**

did the depreciation in dollar market value equal the voluntary contingency reserve set up.

"It is impossible to forecast what the future has in store for business. Unquestionably, the general sentiment is very much better. Much of the improvement is, of course, due to the vast expenditure of government funds. On the other hand, there was unquestionably a recovery under way before the advent of the NRA and some of the other government agencies.

"The real problem is whether we can continue to progress after the expenditure of government funds has been withdrawn, as eventually it must be. We all hope this will be the case and to that end we should support, so far as we can, the administration's program of recovery. If we can be certain of a fiscal policy that will not impair government credit and a reasonable attitude on the part of the government with respect to competition with private business, we can look forward with some confidence to better days ahead."

### Western Companies' Figures

**President R. B. Duboc Presents the Annual Financial Exhibit of the Ft. Scott Corporations**

President Ray B. Duboc of the Western Casualty & Surety and Western Fire of Fort Scott, Kan., has issued the annual statement. The Western Casualty & Surety has assets \$3,116,202, being in a very liquid state. Its loss reserve is \$1,024,643, premium reserve \$994,414, capital \$750,000, net surplus \$204,001. All liability in excess of \$5,000 is automatically reinsured in the European General Reinsurance. The Western Fire has assets \$1,285,569, premium reserve \$299,591, capital \$500,000, net surplus \$380,693. The two companies have \$1.71 of assets for every \$1 of liability. All reserves are well protected by cash and

bonds, no interest in default, amounting to \$2,490,000. The premiums of the two companies run as follows:

Tornado .....	\$ 25,427
Plate glass .....	53,786
Burglary .....	62,640
Fidelity and surety .....	127,274
Public liability .....	141,514
Fire insurance .....	188,350
Workmen's compensation .....	252,895
Automobile fire and theft .....	285,378
Auto liability and property damage .....	1,632,205
Total .....	\$2,769,469
Less reinsurance .....	223,690
Net premiums .....	\$2,545,780

The premium increase is \$217,196. The total income was \$2,607,641. The loss ratio for the casualty company was 66.3 percent and for the fire company 58.3.

### Bail Bond Ruling Against Concord Casualty Reversed

The United States circuit court of appeals for the second circuit (New York) has reversed the order of the United States district court for the southern district of New York entering an order against the Concord Casualty & Surety to show cause why it should not be prohibited from acting as surety in any and all matters in southern district court.

The higher court held that the southern district court was without jurisdiction to enter the order, since it was not based upon a bill in equity but was an attempt to carry on a special disciplinary proceeding. The court, according to the decision, is not without protection if the surety is deemed a poor moral or unsafe risk. If the surety should so conduct its business as to lose the confidence of the court, the judge to whom an undertaking is submitted in any case for approval could refuse to approve it. The court may direct the clerk to do likewise in such instance and the district court might by rule refuse to accept bonds of

any named surety company, but there was no jurisdiction for this special proceeding.

The southern district court entered the order on the affidavit of an assistant United States district attorney averring that substitutes for defendants, impersonating them, fraudulently served their short prison terms in 60 instances for violation of the Volstead law. The Concord Casualty was charged with being on the bonds of 26, who were impersonated. One of the imposters told the judge he was asked to act as a substitute by an agent of the Concord Casualty and would get \$10 for doing so. The Concord Casualty stated it had no knowledge as to the fraud and as soon as the company learned that imposters had appeared caused an independent investigation to be made and spared no expense attempting to bring the true defendants before the court.

### Company in Fine Statement

**London Guarantee & Accident Has Well Bolstered Reserves to Offset All Its Liabilities**

The London Guarantee & Accident has issued its new annual statement showing assets \$14,815,506. It has in bonds \$11,998,536. Its cash is \$789,454. Its premiums in course of collection amount to \$1,504,110. It carries reserves amounting to \$11,552,037 as follows: Claims \$6,581,212, premium \$3,297,961, commissions \$380,211, taxes \$238,859, contingency \$1,053,795. Its deposit capital is \$800,000 and its net surplus \$2,463,469. Its contingency reserve brings its surplus down to market value basis. The London Guarantee does not hold any stocks. Its surplus shows an increase of \$1,305,264, resulting from an underwriting profit of \$124,897, net income from investments \$496,884, an appreciation in market value of securities and other miscellaneous items of \$683,483. The company therefore is in the best kind of shape.

### Zurich Figures Given

The Zurich, in its annual statement, shows assets \$18,725,346, premium reserve \$3,287,927, loss reserve \$10,438,280, contingency reserve \$2,223,900, deposit capital \$600,000 and net surplus \$1,500,000. Contingency reserve is nearly a million dollars more than enough to adjust the statement to Dec. 31, 1933, market values.

Premiums last year amounted to about \$9,100,000.

The Zurich Fire shows assets \$874,970, premium reserve \$124,156, contingency reserve \$29,410, capital \$200,000 and net surplus \$446,792.

### Maryland Proposal Ratified

BALTIMORE, Feb. 28.—Stockholders of the Maryland Casualty at a special meeting ratified proposals of the management amending the company's charter in connection with plans to sell several issues of preferred stock. Arrangements were completed some weeks ago to sell \$7,500,000 of first preferred shares to the RFC.

### Enters Auto Insurance Field

The Union Mutual Casualty of Des Moines, which heretofore has written only health and accident insurance, will hereafter write full coverage automobile insurance as well. Farmers will be given liability and property damage coverage at a lower rate than other risks.

### Approve U. S. F. & G. Amendment

BALTIMORE, Feb. 28.—Stockholders of the United States Fidelity & Guaranty at a special meeting Monday ratified an amendment to the charter authorizing the sale of \$4,000,000 of redeemable preferred stock to the Reconstruction Finance Corporation. The par value of the new preferred

stock will be \$1 per share, the R. F. C. paying \$5 a share, \$1 for capital and \$4 for surplus. With the issuance of this new stock all bills payable will be eliminated from the company's statement.

Officials said that it is expected that all details incident to the mortgage refunding plan will be completed within two weeks, and that funds will then be available from the R. F. C. for distribution to bondholders by the various mortgage companies whose bonds come under the plan.

### Form New Bond Mutual

DES MOINES, Feb. 28.—A new company, the Travelers Mutual Bonding Insurance Company, has been organized in Des Moines as a running mate of the Travelers Mutual Casualty. George Olmsted, secretary of the Travelers Mutual Casualty, is president of the new Travelers Bonding. The new company expects to be ready to operate about March 6. It will specialize in license permit bonds, court bonds and public official bonds. In addition it will write burglary insurance.

It will be the only bonding company with home office in Iowa. The Travelers Mutual Casualty is now licensed in six states and has \$181,000 surplus to policyholders.

### Great American Indemnity Data

The Great American Indemnity's assets include bonds \$4,156,697 and stocks \$3,345,669, both on convention valuations; cash \$381,142; premiums in course of collection \$1,177,785; and other assets, \$570,450, making total assets of \$9,631,743.

Liabilities include premium reserve \$2,600,834; loss reserve \$3,609,744; contingency reserve of \$716,779 to take care of the difference between market and convention values. Net surplus is \$1,528,189 and capital \$750,000.

### Bankers Indemnity Figures

In presenting the figures of the Bankers Indemnity last week, the contingency reserve and net surplus figures were transposed. The proper figures are, contingency reserve \$202,232 and net surplus \$555,655.

**Glens Falls Indem.**—Assets, \$7,635,014; dec. in assets, \$513,220; secur. fluc. res., \$220,197; unearned prem., \$2,459,283; loss res., \$468,114; liab. res., \$1,818,497; comp. res., \$485,963; capital, \$1,000,000; surplus, \$784,705; inc. in surplus, \$184,705. Experience:

	Premiums	Losses
Accident .....	\$ 203,659	\$ 110,294
Health .....	22,524	16,839
Auto liability .....	2,072,980	1,361,785
Other liability .....	703,604	160,607
Workmen's comp. ..	788,187	445,392
Fidelity .....	175,896	32,894
Surety .....	469,508	182,362
Plate glass .....	198,930	65,068
Burglary and theft ..	310,029	101,157
Auto prop. damage ..	650,485	209,386
Auto collision .....	48,603	24,165
Other P. D. and Coll.	23,656	1,271
Total .....	\$5,668,061	\$2,711,220

**Metropolitan Life**—Assets, \$3,860,761.191; inc. in assets, \$91,388,766; contingency res., \$43,000,000; unearned prem., \$1,896,130; loss res., \$4,066,916; non-can. A. & H. res., \$177,032; surplus, \$243,123.033; inc. in surplus, \$2,311,293. Experience:

	Premiums	Losses
Accident .....	\$4,921,775	\$2,857,484
Health .....	7,880,097	4,837,892
Non-can. H. & A. ...	70,436	96,274
Total .....	\$12,872,308	\$7,791,650

**Iowa State Travel Men's**—Gross assets, \$355,653; loss res., \$209,820. Experience: Accident-health .....

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## RECENT COURT DECISIONS

### Oral Renewal Held Binding

#### Minnesota Supreme Court Decides Against the Agricultural in an Automobile Collision Loss

The Minnesota supreme court has affirmed judgment against the Agricultural, holding that it was bound by the oral agreement of its agent, Almen, to renew an automobile collision policy. The case was Schmidt vs. Agricultural, et al.

The action was against the Agricultural and the Franklin Fire, but action was dismissed against the Franklin.

The Agricultural agreed to renew a policy expiring March 6, 1930. On Aug. 25, 1930, the truck was damaged in a collision. The Minnesota supreme court held that an oral contract of present insurance is valid in Minnesota and it was valid in common law. Renewal insurance is governed by the same considerations. If through Almen the Agricultural agreed to renew the insurance, then upon the terms of the policy about to expire the agreement was valid. When insurance is renewed and the precise terms are not stated in the oral negotiations, new insurance like the expiring insurance is intended. Whether the Agricultural canceled the existing policy so far as it provided for collision insurance, was an issue for the jury. Under the Minnesota law joint cause of action may be alleged against several defendants and a recovery had against less than all upon the failure to prove joint liability but upon proof of the liability of less than all.

### Seller, Buyer Both Collect for Loss to a Frigidaire

The Kentucky court of appeals has held the Security Insurance Company liable to the seller of a frigidaire, because it was presumed to have had knowledge of a conditional sales contract; although the face amount of the policy had been paid to the buyer of the frigidaire.

The buyer, Kirby, told the agent he wanted a policy so as to protect the finance corporation and himself. The agent had the sales contract before him. In the policy he wrote: "It is understood and agreed that the refrigerator is being bought by the assured on the installment plan; however, any insurance that may prove due may be paid to the assured."

There was a loss and the Security paid Kirby.

The higher court pointed out the conditional sales contract required the purchaser to maintain insurance on the frigidaire equipment with a loss payable clause to the seller. When the Security accepted the risk with the actual notice of the existence of the provisions of a sales contract, it became bound by this equitable lien in favor of the seller and is liable to it. The case was A. H. Thompson Company vs. Security.

### Furnace Maker Is Liable

The United States circuit court of appeals for the tenth circuit has held the United States Radiator Corporation liable for damages, because of the burning of a building due to a defect in one of the corporation's furnaces. The case was the United States Radiator Corporation vs. Henderson, et al. The court found the radiator corporation guilty of negligence in designing and making the smoke hood without means of attaching it to the dome so it would not be displaced by explosions, thus causing release of flame under and in proximity to the ceiling.

### Can't Appoint Second Umpire

#### New York Court of Appeals Overrules County Court on Construction of Insurance Law

The county court is without jurisdiction to appoint another umpire in an appraisal where an umpire had previously been regularly chosen and had made an award. This was the decision of the New York court of appeals in matter of 176 and 178 East Main Street, Amsterdam, N. Y. (Yoskovitz vs. Buffalo et al.). The insured and insurer, designated the appraisers and the appraisers in regular form, selected an umpire. The appraisers met with the umpire on several occasions and the umpire made an award of \$19,494.

After the award had been made, Yoskovitz petitioned the county judge under section 121, subdivision 10 of the New York insurance law for the appointment of an umpire.

The court of appeals held that the court's jurisdiction under section 121, subdivision 10, is limited to a case where the appraisers have failed or neglected to select an umpire. Yoskovitz succeeded on the theory of fraud, in overcoming the conceded fact that by a written instrument the appraisers had certified a previous selection of an umpire by them. The issue of fraud was tried by affidavit.

The court of appeals held that whether the circumstances surrounding the appointment of the original umpire could ultimately be considered fraudulent after examination and cross-examination of witnesses may be determined in an appropriate action to set aside the award. Section 121, subdivision 10 is not intended to confer jurisdiction to try such an issue on conflicting affidavits. So long as the award stood, the county court was without jurisdiction to appoint another umpire.

### Agent Baffled by "Fee Simple"

#### Didn't Know Meaning of Term—Insurer Held Liable for Policy Im- properly Written

Although the policy did not indicate the fact that the insured building was on leased ground, the Rhode Island supreme court has held for the insured, for one reason because of the fact the local agent did not know the meaning of the term "fee simple." The case was Mancini et al vs. Yorkshire.

The insured building was an ice house. The assured testified that when Olivo, the agent, interviewed him about the insurance, he told him the ice house was on Mr. Whipple's property and the agent later assured him the policies were valid.

Olivo testified Mancini said the building was "on Whipple Court" which did not suggest to him that it was located on leased land. The agent admitted his ignorance that such a fact affected the validity of the policies and it seems he did not know the meaning of the term "fee simple."

The supreme court held that Mancini informed the agent that it stood on ground not owned in fee simple. The knowledge of the agent thus acquired is in law the knowledge of the insurer.

The Yorkshire contended that the measure of damage should be the value of the leasehold interest. The supreme court, however, held that where a leased building is insured for the lessee, unless otherwise limited in the contract, the insurer is liable for the sound value of the building.

(Here is something that will interest every insurance agent)

## How To Determine Quickly, At Any Time, Approximate Actual Cash Value Of A Building

Insurance adjustment of loss is made on a basis of *actual cash value* of the damaged property at the time of loss.

And if there is a coinsurance clause in effect, the amount to be recovered depends also upon the relation between *actual cash value* and the amount of insurance carried on the property.

Thus it is quite important, in fixing the amount of insurance on a building, that the owner (and the agent also) know at least approximately what the **ACTUAL OR INSURABLE VALUE** of that building is. Only thus can precaution be taken that the amount of insurance is (1) not less than it should be properly to protect the interest of the owner and (2) that the insurance on the building is not greater than the actual value of the building—that the owner does not pay for insurance that he does not get. **VALUES HAVE CHANGED A LOT THESE LAST TWENTY YEARS—AND THEY ARE STILL CHANGING.**

If you had something to carry in your inside coat pocket which would enable you at any time to arrive quickly and easily at the then approximate insurable values of various kinds of buildings it would help both you and your customers, wouldn't it?

You could then find out without delay whether the amount of insurance carried or proposed on a building is much greater than its insurable value, or much less than it should be to protect the assured properly and to comply with coinsurance requirements, if any.

*With the "Handy Table" you will be prepared at any time to do these very things.*

The "Handy Table" has been compiled and copyrighted by an experienced insurance engineer. It has full and simple directions for use. It exhibits in a new way a method of determining approximate construction costs of different kinds of buildings for the years 1913 to 1934. It is the result of practical experience, is made for long, hard use and comes in a stout manilla envelope, pocket size. **AND IT COSTS BUT \$1.00.** With it in your pocket you can quickly and easily convert original cost of building to the approximate present actual (insurable) value of that building. And if you cannot find out the original cost, the "Handy Table" supplies cubical contents rules for different kinds of buildings to help you in arriving at approximate reconstruction costs of buildings of different classes of construction and occupancy. In addition there is an insurance depreciation table. You won't want to part with the "Handy Table" because you will use it much to your advantage.

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